
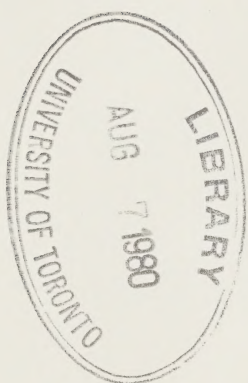


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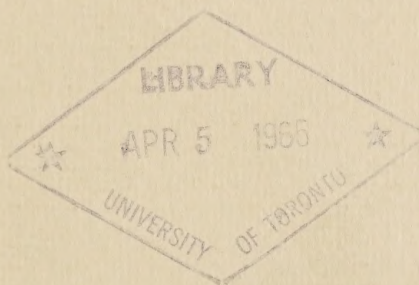
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NTARIO (DEPARTMENT OF)

MUNICIPAL AFFAIRS

Department of

964 ANNUAL REPORT

ONTARIO DEPARTMENT OF
MUNICIPAL AFFAIRS
1964 ANNUAL REPORT



THE HONOURABLE J. W. SPOONER
Minister of Municipal Affairs



DEPARTMENT OF MUNICIPAL AFFAIRS

OFFICE OF THE MINISTER

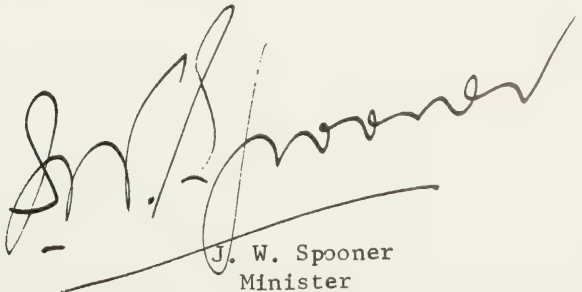
801 Bay Street
Toronto 5, Ontario
February 25, 1965

The Honourable W. Earl Rowe, P.C.(C)
Lieutenant-Governor of the Province of Ontario

Your Honour:

The undersigned has the privilege of submitting
for the information of Your Honour and the Legislative
Assembly, the Annual Report of the Department of Municipal
Affairs.

Respectfully submitted



J. W. Spooner
Minister

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FOREWORD

To The Honourable J. W. Spooner,
Minister of Municipal Affairs

I have the honour to present to you the Thirty-first Annual Report of the Department of Municipal Affairs for the calendar year ended December 31, 1964. This Report is presented in accordance with section 5 of The Department of Municipal Affairs Act.

The Department of Municipal Affairs is charged with the responsibility of administering all Acts in respect of municipal institutions and affairs and is required also to exercise general oversight over municipal institutions and their administration. In addition, the Department is engaged in many activities and programs which are designed to encourage the development of effective local government in Ontario.

In order to carry out its responsibilities and to cope with the increasing complexity of local government problems, the staff of the Department has been enlarged and the professional qualifications of the staff have been diversified. Emphasis has been placed on securing the services of staff trained and experienced in a number of phases of local government administration.

The Department's areas of activity and service have been expanded so that, in addition to performing its statutory responsibilities, the Department renders assistance to the Government of Ontario and to the municipalities in a broad range of local government activities.

During recent years the Department has increased the staff of the Municipal Accounting and Community Planning Branches, established a Law Branch, a

Municipal Finance Branch and a Municipal Subsidies Branch.

The municipalities, and therefore the Department, have been faced with difficult and complex problems in recent years because of rapidly rising population, the trend to urbanization, the demand for a higher standard of municipal service and the shortage of trained and experienced staff.

The Province of Ontario is not unique in this regard. Growth, change, demand for services and a questioning of familiar and historic forms of organization are characteristic of local government throughout the world at the present time. The solution of the problems of local government will be elusive and difficult. However, I have confidence that progress is being made in Ontario.

In an endeavour to find a solution to these problems which will be acceptable to the people of Ontario several steps have been taken by the Government in recent years.

The Select Committee on The Municipal Act and Related Acts has been conducting an intensive study into the adequacy of the Province's municipal legislation. Public hearings have been held across the Province to give municipal officials and the public an opportunity to present briefs.

A Royal Commission on Metropolitan Toronto was appointed in 1963 to enquire into and report on the structure and organization of local government in the area.

In 1964 an enquiry began into the structure, organization and methods of operations of all municipalities and local boards in the County of Carleton, including the Cities of Ottawa and Eastview and the County itself.

Under the terms of reference of the Ontario Committee on Taxation, the Committee may study and report on the financial position of the Ontario municipalities.

It is expected that the Government will receive final reports on all of these matters during the coming fiscal year.

The Department established in 1964 a Municipal Subsidies Branch to which was assigned responsibility for one loan program, two federal-provincial-municipal shared-cost programs and nine provincial subsidy programs. It is the Department's expectation that the centralization of these programs in a single Branch will permit more effective methods and will be a convenience to municipal officials.

In order to initiate successfully the programs of the Municipal Subsidies Branch it was necessary to transfer to it, on a temporary basis, staff from the Municipal Accounting and Municipal Finance Branches. These transfers resulted in the postponement of a number of the programs of these Branches. However, considerable progress was made with a number of studies designed to lay the framework for the future activities of these Branches.

The Municipal Works Assistance Program is a Federal-Provincial-Municipal Program designed to increase employment by making loans available to municipalities upon the condition that capital works are accelerated. The establishment of this Program required the combined efforts of the Municipal Finance, Accounting and Subsidy Branches.

The Centennial Grants Program, a Federal-Provincial-Municipal Program designed to encourage the municipalities to undertake projects of a lasting nature to commemorate the centennial of Canada's confederation, was established and actively promoted during the year.

Certain departmental officers played an important role in the development of the Ontario Municipal Employees Retirement System during the year. This System, in operation two years, is providing pension benefits to approximately 22,000 members employed by 450 separate municipalities and local boards in every section of Ontario.

The Assessment Branch intensified its activities in the educational field in 1964 with the promotion of a number of programs designed to increase the qualifications and training of the municipal assessor. The full resources of the Branch, including the services of its staff and the financial resources of the Government, were made available to the Institute of Municipal Assessors to assist the Institute in the establishment of, through Queen's University, a training course designed to fully acquaint the Ontario assessors with the theory and practical knowledge required to carry out their responsibilities.

With the assistance of a firm of consultants, and the advice of many experienced Ontario assessment commissioners, the Branch prepared and made available to every municipality in the Province, a completely revised and up-dated Guide for Municipal Assessors. This Guide is considered to be one of the outstanding publications in the field of assessment on the North American continent.

In 1964 there was a considerable amount of discussion among municipal representatives, the members of local boards and the public, concerning the role and the function of the planning board and its relationship with the municipal council.

There was also much discussion in 1964 concerning the possibility of establishing larger planning areas. Such discussions have been particularly active in the Counties of Brant and Waterloo. With the co-operation and support of the Community Planning Branch, considerable progress has been made in the County of Waterloo. It is confidently expected that a joint planning area, containing not only the municipalities within the county organization, but also the three cities, will be formed during 1965.

During the year the terms upon which the Province participates with municipalities and the Government of Canada in urban renewal projects were made more flexible and, it is hoped, of more assistance to the municipalities. The type of redevelopment project to

which provincial assistance will be available has been extended from projects of a residential character to include projects with a substantial element of commercial and industrial buildings thereon. In addition, the costs eligible for provincial subsidy have been extended beyond the cost of the acquisition and the clearance of land to include such costs as the preparation of detailed plans for the development of the project, the administration of the project while it is under development and the cost of providing any necessary sewers, watermains or roadways.

During 1964, the Legislature placed a new tool in the hands of the municipal councils in their attempts to arrest deterioration of residential buildings within the community. Legislation was enacted under the terms of which a municipality may pass a by-law to prescribe minimum standards for the maintenance and occupancy of residential property.

The Organization and Administration Branch was faced with an increasingly wide range of problems, ranging from the make-up of the council, its committee structure, the ward system and many types of inter-municipal problems, to the day to day responsibility of approving, on behalf of the Department, the individual actions of the boards of trustees of the improvement districts.

The Law Branch had a very busy year during 1964 because of the increase in the Department's services to the Government and to municipalities, and because of the complexity, not only of the public, but of the private legislation which was referred to the Branch.

During 1964 the Department lost the services of two very experienced men. Mr. A. L. S. Nash, O.B.E., M.M., E.D., B.A.Sc., retired as the Assistant Deputy Minister, Community Planning, after twenty years of service in which he made a significant contribution to the field of community planning in Ontario.

During the year, Mr. M. R. Sloan retired as Director of the Assessment Branch. Mr. Sloan headed the

Branch since its inception in 1947 and was responsible for its development since that time. His employment in the Department has been continued and he is engaged at present in special studies relating to the fields of assessment and taxation.

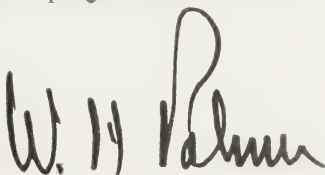
Mr. W. B. Bolton, B.Comm., C.A., resigned as Director of Municipal Accounting after serving ten years with the Department. He had accumulated extensive knowledge and experience in municipal accounting and reporting in Ontario.

Mr. M. D. Trewin, C.A. and Mr. P. G. Gillis, B.A., were appointed Directors of the Municipal Subsidies and the Municipal Assessment Branches respectively during 1964.

The responsibility for setting in motion the Departmental programs outlined in this Report has been that of Dr. L. R. Cumming, Q.C., M.A., LL.D., who retired as Deputy Minister of the Department on January 13, 1965. Future historians will undoubtedly recognize the significant contribution made by Dr. Cumming in the field of local government in Ontario and, indeed, in Canada. I am, therefore, very pleased that Dr. Cumming will continue to serve the people of Ontario and the Department as Special Adviser to the Minister.

In conclusion I would like to thank the officers of the Department and their staffs for the co-operation which they have given to me and to each other during 1964. I should like to express appreciation also to the officials in the other Government Departments with whom the Department's officials are in daily contact and also to officials of the municipalities, without whose co-operation and understanding the successful execution of this Department's programs would have been very difficult indeed.

Respectfully submitted,

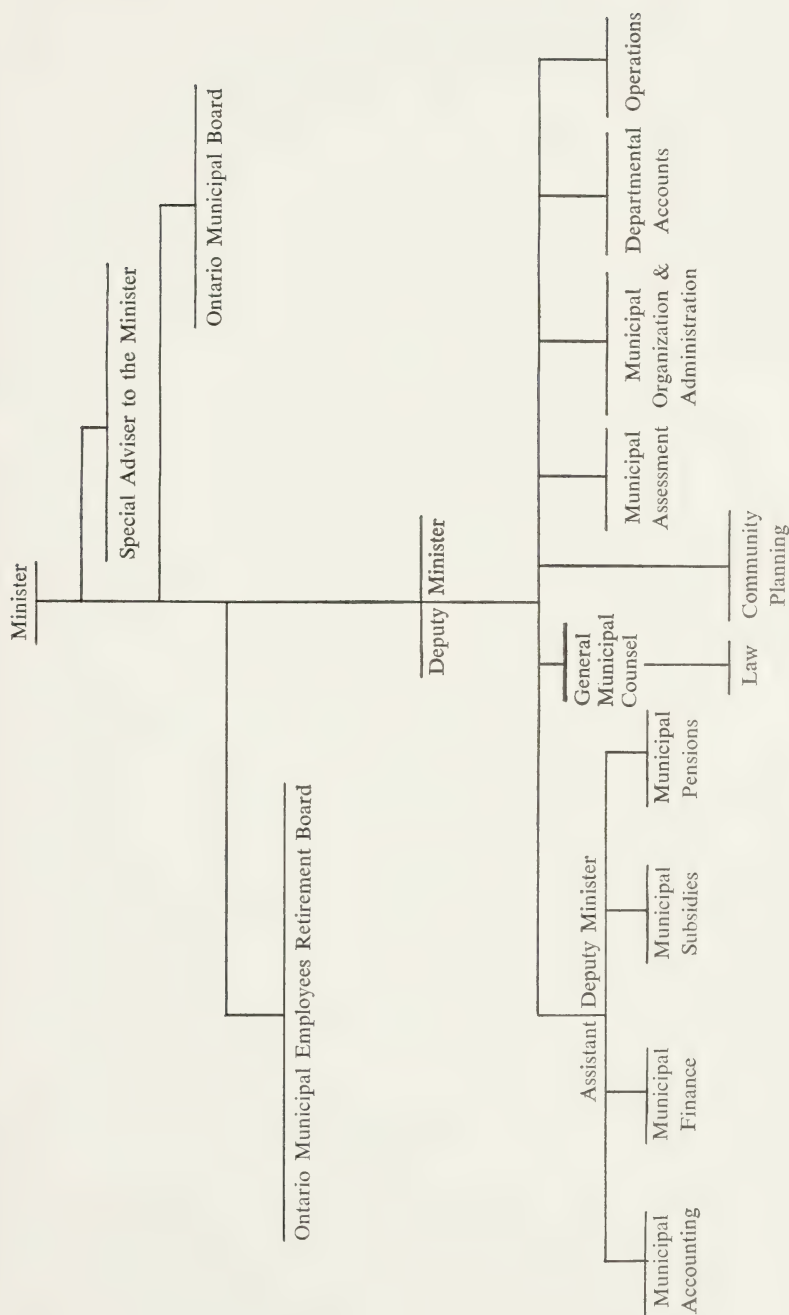
A handwritten signature in dark ink, appearing to read 'W. H. Palmer'. The signature is fluid and cursive, with the first name 'W.' and last name 'Palmer' being the most prominent parts.

W. H. Palmer
Deputy Minister

March 17, 1965

DIRECTORY

Minister	Hon. J. W. Spooner
Executive Assistant	J. M. Main
Special Adviser to the Minister	L. R. Cumming, Q.C.
Special Assessment Adviser	M. R. Sloan
Deputy Minister	W. H. Palmer
Executive Officer	V. Bozzer
Assistant Deputy Minister	Paul Hickey
General Municipal Counsel	C. W. Yates, Q.C.
Director of Community Planning	D. F. Taylor
Director of the Law Branch	J. W. Bell
Director of Municipal Accounting	Vacant
Director of Municipal Assessment	P. G. Gillis
Director of Municipal Finance	W. H. L. Godsolve
Director of Municipal Organization and Administration	A. T. Butler
Director of Municipal Subsidies	M. D. Trewin
Chief Accountant	R. A. Groves
Director of Operations	A. T. Sutherland
Librarian	Miss B. A. B. Weatherhead



PUBLICATIONS

Annual Report of Municipal Statistics

a summary of the audited financial statements of the municipalities

Provincial Assistance to Municipalities, Boards and Commissions

a statement of the bases of provincial subsidies

Appraisal Notes for the Assessor

a manual of techniques and procedures to determine real property value

Assessors Handbook of Cost Factors

Municipal Directory

furnishes the name of the head of the council, the clerk, the treasurer and the assessor and certain other information concerning each municipality

Summary of Legislation Affecting Municipalities

issued after each session of the Legislature

A Guide for Municipal Representatives

the important provisions of the statutes regarding the responsibilities of an elected representative and a member of a local board

Ontario Planning

matters of general interest to those concerned with or interested in community planning

Urban Renewal in Ontario

a summary of the pertinent Federal and Provincial legislation and regulations and related information

A Better Place to Live

a study of minimum standards of occupancy and maintenance of dwellings

Waterloo Area Report

a study of joint planning in a large and rapidly expanding area

LAW BRANCH

Since the establishment of the Law Branch in 1960 its functions and responsibilities have continued to increase. The provision of advice and legal opinions on points of law and the consideration and preparation of departmental legislation remain as the dominant functions.

The year 1964 saw a marked increase in the amount of the general legal services provided by the Branch to other Branches of the Department, to other Departments of the Government, to the municipalities and the local boards through the elected or appointed officials and to the public. Representatives of the Branch met with a considerable number of municipal representatives throughout the year, including municipal solicitors and also with a number of ratepayers wishing to discuss problems involving a municipality. In addition to these meetings an extensive volume of telephone consultations was engaged in by members of the Branch.

In providing assistance to the municipalities and to the public the Branch has been careful to avoid any encroachment into the field of practising solicitors.

During 1964 the program of legislation was carried out under the supervision of the Deputy Minister. This program included the consideration of suggestions for legislation from within the Branch and from other

Branches as well as from the other sources, the presentation of selected material for the Minister's and Deputy Minister's approval and, thereafter, drafting the proposed legislation and compiling supporting material in appropriate form for the consideration of the Cabinet. After approval in principle by the Cabinet the draft legislation was reviewed with the Municipal Legislative Counsel of the Attorney-General's Department for introduction into the Legislature. In due course, representatives of the Law Branch attended meetings of the Committee on Labour, Legal and Municipal Bills when any legislation introduced by the Minister was before the Committee.

A number of the Private Bills which were presented to the Legislature during the year were scrutinized by the Branch for legality, as well as for consideration as to whether the Bills were in the public interest. In some instances, these Bills were submitted to other Branches or other Departments to assist in determining the position that the Department should take before the Private Bills Committee with respect to such Bills.

The services of the Branch were required frequently throughout the year by the staff of the responsible Branches in connection with the establishment and administration of the Municipal Works Assistance Program and, likewise, with the Centennial Grants Program. Similarly, many hours of consultation were spent by members of the Branch advising officers of the Department and of the Ontario Municipal Employees Retirement System on problems associated with the System.

The Branch has worked closely with the Community Planning Branch on a number of matters such as the preparation of agreements with Federal and Provincial authorities and municipalities on urban renewal studies and urban renewal projects, the preparation of Minister's Orders, the drafting of by-laws, advising on the legal aspects of subdivision, official plans, subdivision control, zoning, committee of adjustment applications, building by-laws and applications for building permits.

During the past year representatives of the Branch have made representations at various hearings of The Ontario Municipal Board regarding alterations of municipal boundaries, equalization appeals, subdivision plan approvals and other matters involving the Minister or the Department.

During the year there were a number of petitions to the Lieutenant-Governor in Council in respect of decisions of the Ontario Municipal Board. The Law Branch was responsible for preparing reports and Order-in-Council recommendations on each petition.

This involved consultation with other interested branches, departments, agencies and individuals.

As in previous years, with a view to assisting municipal officials and other interested persons in keeping abreast of current legislation with municipal significance, the Branch prepared a Summary of Legislation Affecting Municipalities introduced at the last Session of the Legislature. This Summary was prepared and distributed within a short time after the Legislature was prorogued, thereby ensuring its maximum usefulness.

The Branch also prepared, or assisted in the preparation of, brochures, memoranda, instructions and informative material for distribution to municipalities and local boards to assist the officials thereof. The Branch also was represented at various conferences of municipal officials to read papers or speak on matters affecting the municipalities.

COMMUNITY PLANNING BRANCH

General Responsibilities

The primary responsibilities of the Community Planning Branch are to administer the terms of The Planning Act and to promote good community planning practices throughout the Province. The Branch carries out these responsibilities by:

- ☐ administering the terms of The Planning Act, including:
 - the designation of planning areas,
 - the approval of official plans and zoning by-laws and the review of decisions of committees of adjustment,
 - the approval of plans of subdivision, and
 - the designation of redevelopment areas,
- ☐ conducting research into all aspects of community planning and distributing the findings to all agencies associated with community planning,
- ☐ providing technical advisory services to councils, planning boards and committees of adjustment in all matters relating to community planning, and
- ☐ promoting the extension of community planning by means of lectures, workshops, publications and by holding general discussions with all interested parties, both in the field and in the office.

New Legislation

Two very significant changes in planning legislation came into effect in 1964, namely:

- the conferring upon the municipalities of authority to pass by-laws prescribing minimum standards of maintenance and occupancy of all residential buildings, and
- the amendment of the procedures and conditions for granting authority to subdivide land without the registration of a plan of subdivision.

A three year study conducted by the Branch with financial assistance from Central Mortgage and Housing Corporation which included research in many municipalities and discussions with numerous experienced administrators and planners, pointed emphatically to the necessity for municipalities to take steps to prevent the deterioration of residential structures within their limits, if they were to avoid serious blight, slum conditions, and the associated social and economic problems.

The study culminated in the production of a publication entitled "A Better Place to Live," which contained recommendations on new legislation to permit municipalities to prescribe minimum standards of maintenance and occupancy of all residential buildings.

In 1964 the Legislature passed legislation that was substantially the same as that recommended in the study.

Enacted in 1964, to come into force when proclaimed by the Lieutenant-Governor in Council, was a series of amendments to The Planning Act respecting the conditions and the method of granting consent to the division of land in those municipalities that are subject to an area of subdivision control by-law.

The legislation provided for:

- the transfer of authority to grant consents from planning boards to committees of adjustment or to the Minister,

- a clarification of the conditions that might be imposed at the time of approval of such an application, and
- a modification in the notification and appeal procedure.

A publication relating to these and other amendments to The Planning Act was circulated to all councils, planning boards and committees of adjustment in 1964.

Planning Areas

Ten planning areas were defined, three existing planning areas were enlarged and one planning area was dissolved in 1964.

The following is an analysis of planning boards as at December 31st:

	1959	1960	1961	1962	1963	1964
Single Independent	161	162	161	165	163	168
Joint	64	72	74	75	79	80
Subsidiary	90	100	115	127	134	137
Total	315	334	350	367	376	385

The number of new planning areas defined by the Minister during 1963 and 1964 was less than the numbers defined in earlier years. This may be attributed, not only to the reducing number of municipalities which have not been so defined but also to the insistence by the Department that new planning organizations not be established until there is an indication that the council or councils understand the implications and responsibilities which flow from such an action.

The year has seen an increase in public discussions on the role of the planning board in the planning process — its function in relation to the council and its administrative responsibility. These discussions were intensified by a series of events which included the enactment of legislation providing for a transfer from the planning board to the committee of adjustment of the authority to grant consents, an interim report of the Select Committee on the Municipal Act and Related Acts, a survey of all municipalities and planning boards conducted by

the Ontario Division of the Community Planning Association of Canada and several speeches by the Prime Minister and the Minister relating to planning. A survey of the Community Planning Association of Canada and the discussions that subsequently took place at a conference convened by the Association in Toronto indicated, by a wide margin, that the planning board has an important function to perform and that it should be continued.

The Branch devoted considerable effort in 1964 toward the stimulation of joint planning action in larger geographic units in the belief that larger joint planning boards would have sufficient financial resources to acquire a trained staff competent to analyze the complex problems of future growth and to formulate realistic development recommendations. To this end the Branch has had many meetings with county councils and groups of municipalities. As a result a number of county councils have indicated their willingness to join with the separated municipalities to form joint planning areas and to make available sufficient funds to provide for planning studies and planning advisory services.

A number of counties have done a considerable amount of work in preparation for joint planning action, but the greatest progress has been in the Counties of Brant and Waterloo. In 1963 and 1964 a study of Waterloo County was conducted by the Branch, with the assistance of the municipalities in the area, in order to examine the existing planning organizations and to determine whether any reorganization would be desirable.

The report of the study, the Waterloo Area Report, recommended the formation of a joint planning area comprising the Cities of Galt, Kitchener and Waterloo and the twelve local municipalities of the County of Waterloo. The report of the Branch has been the subject of many discussions and it is confidently expected that the reorganization of the planning function within the County will take place early in 1965.

Official Plans and Zoning By-laws

In order to improve the service to the municipalities in matters related to official plans and zoning, a reorganization was made under which the Official Plan and Zoning Sections were amalgamated. The new Section was divided into five units, each of which is responsible for dealing with official plans, zoning by-laws and related matters coming from the municipalities in a particular region.

The trend in the number of official plans and amendments thereto at December 31 is as follows:

	1959	1960	1961	1962	1963	1964
Official plans	91	100	107	120	125	126
Amendments	108	123	150	157	181	166

The 126 official plans in force on December 31, 1964, cover 151 municipalities.

A number of municipalities that had adopted official plans in the late 1940's and the early 1950's are now submitting comprehensive amendments to these documents to consolidate the amendments made to the original plan and to incorporate new features which are deemed to make the official plan more effective as an instrument of municipal policy. There are still, however, a number of older official plans in effect which are obsolete. In some cases the official plan is regarded as more of an obstacle to be overcome than the positive, guiding force that it should be. Continual efforts are being made by the staff to convince municipalities of the necessity for an intensive review of these plans in the light of current needs and objectives.

One of the responsibilities of the Section is to make comments on all zoning by-laws submitted to the Ontario Municipal Board for approval. Another responsibility is to provide assistance to municipalities in the preparation of zoning by-laws. The staff prepared comments on 1333 by-laws or draft by-laws in 1964 compared with 1148 in 1963 — an increase of 14 per cent. In examining a zoning by-law the Branch directs its attention to the standards of land use control proposed

and to the conformity of the by-law to the official plan if one exists. The Section, through its review, found many instances where the proposed zoning by-law was in conflict with the official plan. In such a case, the proposed by-law or the official plan was modified to bring about the conformity required by The Planning Act.

The following is a summary of the number of zoning by-laws examined for the calendar year ended December 31:

	1959	1960	1961	1962	1963	1964
Zoning By-Laws	719	598	838	1021	1083	1263

Although the Department is no longer required to approve the appointment of the members of the committees of adjustment, the Section is involved in the operations of the committees by providing an advisory service and by reviewing all of the decisions of such committees in order to recommend to the Minister whether an appeal should be lodged with the Ontario Municipal Board from the decisions.

The following is a summary of the activities of the committees of adjustment and of the Section with regard to such committees for the calendar year ended December 31:

	1959	1960	1961	1962	1963	1964
Committees	62	67	74	96	104	113
Decisions reviewed	2171	2072	2611	2808	3186	3414
Appeals to the Ontario Municipal Board by the:						
public	102	100	100	114	131	135
Minister	22	11	10	5	9	6

During 1964 the committees of adjustment of the Province approved without condition 2,193 applications, approved with condition 748 applications and refused to grant approval to 473 applications.

The degree of activity of the committees of adjustment varies considerably. In 1964, for instance, 16 committees made 2 or less decisions, 9 committees made between 100 and 400 decisions, while 2 committees made in excess of 400 decisions.

Plans of Subdivision

The following table summarizes the number of applications dealt with by the Subdivision Section:

	1959	1960	1961	1962	1963	1964
Subdivision control by-laws approved	94	69	93	117	95	123
Consent applications processed	189	284	311	363	331	395
Draft plans approved	922	804	632	457	469	451
Draft plans not recommended	141	130	185	63	56	58
Final plans approved	780	814	633	570	484	488

Due to the loss of ten trained technical and clerical staff during the year, the remaining staff of the Section was called upon to perform an unusual amount of overtime.

A large part of the total energy of the staff was expended because a growing number of municipalities are being subjected, for the first time, to the pressures associated with the development of urban and resort subdivisions. In some areas, these pressures are growing at a much more rapid rate than the ability of the municipality to provide public services. Often the municipality is not aware of all the short- and long-term implications of growth, usually has not formulated any clear policies regarding the most appropriate location and form of such growth and frequently is without the effective means of direction and control such as an official plan, zoning by-laws, a building by-law and a public works program. In such cases the policy of the Branch has been to resist the pressure for approval of the application for subdivision until the municipality has indicated an understanding of the repercussions and a willingness to accept and meet its responsibilities, including the heavy burden of the cost of the new and extended municipal services which will be demanded. The educational efforts of the Section to convince certain municipalities that not all growth is progress, will continue to be necessary.

It is most gratifying to see that the standards of design of subdivision are continuing to improve through the efforts of progressive private developers, consultants, planning boards and their staffs and, we believe, the activities of this Section. There is, however, still room for improvement, particularly in the case of the smaller subdivision where the owner often does not employ experienced designers because of the extra cost which, he assumes, will be involved.

The number of by-laws establishing areas of subdivision control enacted by the municipalities is considerably higher in 1964 than in 1963. Many of these by-laws were passed after visits by members of the staff of the Branch who provided an understanding of the need and the procedures involved. There are now 418 municipalities regulated by by-laws and more than 100 geographic townships in unorganized territory covered by a Minister's Order which includes a subdivision control provision.

Several activities were commenced in 1964 which will improve the standard of the applications to be received by the Branch, the time of processing them, and the thoroughness of the examination. These actions include a review and a rewriting of all the questionnaires used by the Branch correspondence, a more expeditious reply system for all the agencies consulted in respect of a subdivision and a reorganization of the Subdivision Section staff into units on a regional basis.

Under Section 28 of The Planning Act the Minister may require that up to 5 per cent of the land within a plan of subdivision be conveyed to the municipality for public purposes. In certain circumstances a payment in cash may be substituted for the conveyance of land. The municipality may, with the Minister's approval, sell the lands so obtained. The funds secured may be used only for the purchase by the municipality of land for public purposes.

The following summary indicates the trend in receipts

and payments associated with this aspect of the Section's operations:

	1959	1960	1961	1962	1963	1964
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Money deposited by the subdivider	105	520	450	258	282	309
Proceeds from the sale of lands transferred by the subdivider to the municipality and subsequently sold	525	475	645	397	454	589
The cost of land purchased from the above	305	360	970	696	920	557

Minister's Orders

Section 27 of The Planning Act provides that the Minister of Municipal Affairs may establish a zoning by-law and a subdivision control by-law in any area of the Province not subject to such a by-law. At the beginning of 1964, eight Minister's Orders were in effect in various parts of the Province.

During 1964 five such orders were made by the Minister, one amending a previous order (King Kirkland townsite), two imposing areas of subdivision control (in the Timmins area and in the Township of Croft), and two imposing zoning controls (in Bicroft and in Kapuskasing).

Urban Renewal

During the year there were several changes in federal and provincial policies and legislation which have already had a considerable impact on the volume and the nature of urban renewal activity in the Province and which promise to bring about a substantial acceleration in the future.

The basis for sharing the costs associated with an urban renewal project under a federal-provincial-municipal agreement has been, and is, 50% by Canada, 25% by Ontario and 25% by the municipality.

In July 1964, the Minister announced a new policy under which the terms of participation will be made more flexible and will therefore provide greater assistance to the municipalities.

In the first place, the type of redevelopment project towards which the assistance will be available has been extended from a project of a residential character to include a project in which other land uses, such as commercial and industrial predominate.

Secondly, assistance will be available, not only towards the cost of the acquisition and clearance of land but also towards such costs as:

- the preparation of a detailed scheme for an urban renewal project relating to a particular area, and plans for land use and for the installation of all services,
- the provision of municipal services such as sewers, water mains, roadways and parks in order to facilitate the most appropriate use of the land, and
- the administration of the project while it is under development.

The figures in the table which follows illustrate the increasing interest of the municipalities in 1964 in urban renewal problems. The figures do not show the gradual change in emphasis from the earlier attitude, under which all urban renewal activity involved exclusively the clearance of rather large areas of land, to the current attitude under which the clearance of an entire block of land is used as a last resort and where emphasis is placed upon the rehabilitation and conservation of an area, its housing and services. The new attitude is exemplified by Hamilton's North End project and Toronto's Alexandra Park project.

Another aspect of urban renewal activity, which was underlined by the Provincial and Federal Ministers participating in the Toronto Urban Renewal and Housing Symposium, was the comprehensive approach and the necessity of looking at a particular urban community, each part being influenced by what happens in the other parts.

The following is a summary of the urban renewal activity in recent calendar years:

	1959	1960	1961	1962	1963	1964
Approvals under The Planning Act						
<input type="checkbox"/> to a by-law designating a redevelopment area (Section 20(2))	4	2	3	3	5	4
<input type="checkbox"/> to a study relating to the physical condition of a municipality (Section 21)	2	—	—	2	2	4
<input type="checkbox"/> to an agreement to assist in redevelopment (Section 22)	2	1	1	1	—	3
Financial Assistance by the Province	\$'000 81	\$'000 640	\$'000 583	\$'000 903	\$'000 448	\$'000 1,374

Building By-Laws

Assistance and advice is given to municipalities on a variety of matters pertaining to building by-laws. During the year, 35 inquiries from municipalities were answered and 10 proposed building by-laws were examined and commented upon.

An effective liaison between the Branch and the National Research Council of Canada has been maintained. A representative of the Department serves on the National Research Council Committee on Residential Standards and on the Associate Committee on the National Building Code. Copies of the 1964 edition of the Shorter Form of the National Building Code of Canada, were distributed to a number of rural municipalities.

Special Studies

The special studies which were conducted by the Branch staff made inquiries into the following subjects:

- ☐ the impact of urban growth on agriculture in the Burlington area—a study carried out jointly with the staff of the Agricultural Rehabilitation and Development Act Directorate, the University of Guelph and the Town of Burlington,

- the existing conditions, the trends and the possible future land use arrangements in the area covered by the Metropolitan Toronto and Region Transportation Study—a continuation of a study carried out jointly with the Department of Transport and Highways and The Municipality of Metropolitan Toronto,
- the existing conditions and growth factors as a basis for regional highway programming in the following four areas, Essex, Kent and Lambton Counties, the Niagara Peninsula, Brant and Norfolk Counties and the Lake Simcoe district—studies carried out jointly with the Department of Highways, and
- the municipal relationships in the Whitby and Grimsby areas—a study carried out jointly with representatives of other Branches of the Department and of the municipalities concerned.

The staff of the Branch also conducted the necessary studies, and prepared an official plan for the Town of Cobalt.

In addition to the reports produced for public distribution, a number of reports dealing with land use, employment and population within several regional areas of the Province were prepared as working papers for other provincial departments as bases for their programs.

EXPANSION OF THE MUNICIPAL ACCOUNTING AND FINANCE BRANCHES AND THE ESTABLISHMENT OF THE MUNICIPAL SUBSIDIES BRANCH

In 1964, more than one-third of the total effort of the qualified accounting staff of the Municipal Accounting and Finance Branches was devoted to the task of:

- establishing the Municipal Subsidies Branch,
- the provision of assistance to the latter Branch in the day-to-day administration of three major loan and subsidy programs, and
- completing the expansion of these Branches.

As a result, the availability of qualified staff to assist and advise the municipalities has been much less than expected and it was not possible, therefore, to carry out many of the programs of the Municipal Accounting and Finance Branches during 1964.

Nineteen new members of the staff of the three Branches, who took up their positions late in 1963 and in 1964, were given instruction in the policies and the methods of operation of the Government and of the Department, and in some of the numerous, complicated and difficult problems which arise in the field of municipal accounting and finance in Ontario.

The work of establishing the new Municipal Subsidies Branch included the recruitment of six persons, includ-

Expansion of the Municipal Accounting and Finance Branches and the establishment of the Municipal Subsidies Branch

ing the director of the Branch who assumed his duties on May 1, 1964, the preparation of position specifications for seven classes of persons engaged on a great variety of duties, the evaluation of work-loads and the rearrangement of office accommodation.

The assistance provided to the Subsidies Branch by the Finance and Accounting Branches in the day-to-day administration consisted of the services of three qualified accountants for most of the year to deal with numerous delegations, inquiries and applications from municipalities to participate in the Municipal Works Assistance Program and the Centennial Grants Program and the services of a further five persons who were utilized for three months to verify the claims under the Winter Works Incentive Program.

In addition to this, the Director of the Municipal Finance Branch, Mr. Godsolve and a senior member of the Municipal Accounting Branch undertook a comprehensive program to establish, review and modernize, as required, the methods and procedures of the twelve programs of the Municipal Subsidies Branch.

The Municipal Works Assistance Program involves provincial-municipal financial relationships in the complicated field of municipal capital borrowing and the issuance of debentures, together with the payment of interest and the repayment of principal thereon. Relationships with the Ontario Municipal Board are involved.

There also arise under the Program federal-provincial relationships which involve the terms upon which the Province of Ontario may borrow from the Municipal Development and Loan Board, an agency of the Federal Government.

In making the necessary arrangements, and by breaking through many of the customary formalities which are

Expansion of the Municipal Accounting and Finance Branches and the establishment of the Municipal Subsidies Branch

encountered in these areas, it has been possible to derive the following benefits:

- the use by the municipalities of a standardized and much simplified debenture by-law,
- the review of such a by-law by the Ontario Municipal Board in advance of the enactment of the by-law by the municipality, so as to facilitate the approval of the by-law and the validation of the debenture by the Board at a later stage,
- the use of a form of single debenture, developed with the assistance of the Treasury Department, for each loan instead of the customary series of debentures of a relatively small denomination,
- the acceptance by the Federal Board of arrangements whereby the loans from Canada may be made on a consolidated basis thereby avoiding much administrative and accounting work, and
- a considerable saving in time to the officials of the municipalities and the Province.

The Centennial Grants Program also involved both provincial-municipal and federal-provincial relationships and the establishment of the detailed methods and procedures and the design of the forms and records necessary to administer not only the Ontario Program but also the Federal Program in Ontario.

As a further example of the advantages which will accrue as a result of the review of the procedures of the other eleven subsidy programs, there may be mentioned the development of a simplified form of claim for the payments in connection with indigent hospitalization. This form will eliminate the need for the municipality to submit with its claim full details of each and every person on whose behalf a payment was made.

MUNICIPAL ACCOUNTING BRANCH

General Responsibilities

The general responsibilities of the Municipal Accounting Branch of the Department are:

- ☐ to conduct studies and research into the development of municipal accounting principles and practices as applicable to Ontario,
- ☐ to make available to municipal treasurers and auditors the services of trained and experienced staff to render advice and assistance on all aspects of municipal accounting, reporting, auditing, budgeting and many aspects of municipal finance,
- ☐ to review the annual audited financial statements of the 977 municipalities of the Province and their local boards, and
- ☐ to license municipal auditors and promote municipal auditing standards and techniques.

Municipal Accounting Research

Review of the form of the annual financial statements

The Department has the onerous responsibility of prescribing the form of the annual financial statements of municipalities and their local boards and the classification of the accounts to be used in the preparation of these statements. The form of these statements has not

been revised during the last ten years. Such a review is urgently required because of:

- the continuous revisions of significant sections of the Statutes,
- the necessity to provide uniform methods of preparing the annual financial statements of the municipalities and local boards regardless of their size or changing organizational structure, and
- the increasing demand of various departments of the Province and Canada and of the public for more accurate and complete information on the financial affairs of the municipalities.

During 1964, plans were completed to commence a thorough review of the annual financial statements to be prescribed which will involve:

- an analysis of the form of the financial statements,
- a review of the classification of accounts to be used in preparing these statements,
- the development of the principles to be used in the consolidation of the financial statements of the municipality and certain of its local boards, and
- the determination of the nature of the supporting schedules to be included with the statements.

In order to augment the staff of the Branch for this project, the services of a chartered accountant, with extensive municipal auditing and accounting experience, have been obtained on a consulting basis.

The development of an adequate and workable form of annual financial statement for the use of municipalities, which are engaged in the provision of a wide range of municipal services, represents a difficult, complicated and challenging task. It is hoped that the review will be completed in sufficient time to be reflected in the form of the financial statements to be prescribed by the Department for the calendar year 1965.

Review of the duties, responsibilities and practices of the municipal treasurer and auditor

A study which was designed to review the bookkeeping and accounting methods and procedures used by municipalities in connection with the billing and collection of realty and business taxes, maintenance of the books of account, the preparation and adoption of the estimates and certain other aspects of the office of the treasurer and the auditor was commenced in 1964.

The Branch circulated a questionnaire to all municipal treasurers and clerk-treasurers in the Province requesting information concerning these methods, procedures and practices. A large percentage of the municipal officials replied.

This reception by the municipal officials is indicative of the active interest displayed by the municipalities participating in the study. When all the replies have been received, examined and analyzed, information will be available to support possible recommendations for changes in legislation, to provide for the development of an educational program for the benefit of the municipalities and to issue a bulletin to municipal treasurers, auditors and others, informing them of the significant information disclosed by the review of the questionnaire.

Bulletins on municipal accounting practices

One of the chief aims of the Branch is to prepare and make available to municipal treasurers and auditors, a series of bulletins which are designed to set forth municipal accounting principles and practices in Ontario. In preparing these bulletins, the Branch will attempt to analyze, classify and present, in a concise and practical form, the pertinent information on a subject as it relates to the statutes, proper accounting treatment and financial statement presentation. The type of subject to be dealt with will include such topics as temporary borrowing, payments in lieu of municipal taxes and the basis of apportionment of taxation levies and requisitions.

These bulletins will reduce the time presently spent by municipal treasurers and auditors in attempting to locate the relevant information on a particular subject. The bulletins will also assist in securing accurate and consistent accounting treatment, improved standards of municipal finance reporting and will enhance the value of the information contained in the financial statements of the municipalities. A considerable amount of effort has been directed to the preparation of draft copies of a number of bulletins during 1964. Some of these drafts will be completed and issued during 1965.

Revision of "Municipal Accounting and Auditing"

The Branch has been requested to advise on the revision of one of the standard texts of municipal accounting, namely a text entitled "Municipal Accounting and Auditing". This book was prepared by the National Committee on Governmental Accounting, on which Committee many Canadian and American accounting societies and municipal organizations are represented.

The text is being revised under the jurisdiction of that Committee.

At the invitation of a committee of the Canadian Institute of Chartered Accountants, the staff of the Branch has submitted extensive suggestions and comments designed to up-date this text and to increase its usefulness.

Advisory Services to Municipalities

An important responsibility of the Branch is to make available the services of municipal accounting and finance advisors, experienced in municipal accounting, reporting, auditing, budgeting and most phases of municipal finance, to provide advice and assistance to municipal treasurers and auditors and to carry out the educational programs of the Branch.

The Branch has been authorized to staff a series of regional offices across the Province with municipal accounting and finance advisors. In September of 1964, a chartered accountant with several years of experience

in municipal accounting and auditing was appointed to the regional office in Port Arthur. Arrangements have been completed for an experienced municipal treasurer to be located in the Sudbury regional office in 1965.

The Branch receives a continuous flow of enquiries, by correspondence or telephone, from municipal treasurers or auditors and their staffs requesting advice on the manner in which a wide variety of transactions of a municipality or a local board should be reflected in the accounts. To answer these queries, a large volume of correspondence was exchanged with municipal officials and auditors. Approximately 60 municipal treasurers or auditors were visited to discuss queries which could not be resolved satisfactorily through correspondence and several delegations were received in the offices of the Department. The range of problems dealt with ranged from the calculation of municipal and education mill rates, the method of preparation of the current estimates and the adequacy of the amounts provided, the method of recording and discharging liabilities, the write-off of uncollectible taxes and the form and type of municipal accounting records.

The Review of the Annual Financial Statements and Auditors' Reports

Every municipality in the Province must file one copy of the financial statements of the municipality and its local boards, together with the report of the auditor, with the Department not later than March 31 of the succeeding year. The staff of the Accounting Branch reviewed the auditor's report on every financial statement filed and, to the extent practicable, examined the information included in the financial statements of over 400 municipalities. The reports filed range from a municipality in the Metropolitan Toronto area, with a population in excess of 300,000, to the smallest municipalities with populations of less than 100.

As a result of these examinations:

- the financial statements of approximately 100 municipalities were returned to the auditors for amendment or clarification because of incorrect accounting treatment, errors in statement presenta-

tion, inadequate disclosure of certain items, and the omission of pertinent statements, and

- the staff of the Branch correspondent with approximately 500 municipal treasurers and the auditors of over 600 municipalities.

The review of the financial statements disclosed the wide variety of complex problems involved in accounting for, and reporting on, the diversity of activities and services rendered by municipalities to local communities in the Province. A review of this nature requires the services of a qualified professional staff, possessing specialized knowledge and experience in the field of municipal accounting and reporting.

Municipal Auditing

The Branch is charged with the responsibility of administering those sections of the statutes of the Province which provide for an audit of the accounts of each municipality or local boards thereof. To carry out this responsibility the Branch:

- prescribes, with the assistance of the Institute of Chartered Accountants of Ontario, a minimum standard of audit procedure concerning those accounting practices, which are peculiar to municipalities and local boards,
- maintains a system designed to license those engaged in the practice of auditing the accounts of municipalities and local boards,
- examines the audited financial statements of municipalities and local boards, together with the reports of the auditor, to determine if the audit has been conducted and the financial statements prepared, in accordance with the instructions of the Department and generally accepted municipal accounting principles, and
- maintains a familiarity with recent developments in auditing techniques to ensure that such techniques are employed in the verification of the accounts of municipalities and the local boards thereof.

The trend of municipalities to secure the services of skilled independent public accountants to act as municipal auditors has continued in 1964. The accounts of all the cities and in excess of 80% of all the other municipalities were audited in 1964 by a chartered accountant or a firm of chartered accountants.

Services Rendered to Other Branches and Departments

Municipal Subsidies Branch

The Accounting Branch was assigned the responsibility of verifying approximately 600 claims submitted under the 1963-64 Winter Works Incentive Program. The verification of these 600 claims represented in excess of 50% of the claims received under the Program and required approximately fifteen man months to complete. The verification of interim claims submitted under the Urban Renewal Program required an additional man month.

Other Departments

The Branch maintains a close liaison with other government departments in connection with municipal accounting and reporting problems arising from the preparation and submission of subsidy claims for which other departments are responsible. For example, discussions were held in 1964 with officials of the Department of Education concerning the certification of subsidy claims submitted to the Department by certain school boards.

MUNICIPAL FINANCE BRANCH

General responsibilities

The principal responsibilities of the Municipal Finance Branch of the Department are:

- ☐ to effect improvements in municipal financial administration by providing advice and assistance to municipal officials,
- ☐ to administer those sections of the statutes which authorize the municipality or local board to provide pensions for employees,
- ☐ to analyze the financial position, the effectiveness and the adequacy of the revenues and the nature of the expenditures of the municipalities in order to advise the Department, the Ontario Municipal Board and various agencies of the Province concerning all aspects of municipal finance, and
- ☐ to collect, analyze and publish municipal financial information for the assistance of the public, governments, financial institutions and others.

Specific assistance to municipalities

During 1964 the professional staff of the Branch assisted many municipalities, generally through the treasurer, in the solution of a variety of financial problems by rendering such services as:

- giving advice to two towns and a village in the preparation and administration of a program of capital works and the financial implications thereof through the medium of a capital budget,
- making studies into rating practices according to The Municipal Act and The Local Improvement Act and The Ontario Water Resources Commission Act, in connection with the financing of the cost of water and sewerage facilities in two towns and holding discussions with the municipal officials concerned,
- making an analysis of the capacity of a township to finance the cost of the municipal services required in a proposed residential subdivision and holding discussions with all parties concerned,
- making a review of the debenture debt refunding plan of a major city and a town and making recommendations for a revision of the plan in order to provide for a more effective and realistic administration of the plan, and
- making a study, in conjunction with other Branches of the Department, into the implications of the amalgamation of a town and a township including in particular, the financial aspects thereof.

Specific assistance to other agencies

The staff of the Branch provided advice to the Ontario Water Resources Commission in connection with the analysis of the ability of eleven municipalities to finance the cost of capital works by means of borrowing.

In connection with the administration of the Municipal Works Assistance Program, the Finance Branch analyzed the financial position of 26 separate school boards which were seeking to borrow from the Province to finance part of the capital cost of new schools.

The Branch participated in several studies of the implications of alterations of boundaries, particularly as to the financial aspects.

In the case of the amalgamation of the Township of Thessalon and the Town of Nesterville, which was ordered by the Ontario Municipal Board with effect from January 1, 1965 officers of the Branch prepared and presented a submission to the Board on the financial impact on the ratepayers of the amalgamation.

As regards the Town of Grimsby and the Township of Grimsby, an examination is being made, in conjunction with other Branches of the Department and, at the request of the municipalities concerned, of the effects of certain tentative proposals for an amalgamation or an annexation of certain lands.

A study was also made, at the request of the Department of Education, into the probable financial effects of separating the area of the Improvement District of Elliot Lake from that of the Elliot Lake High School District, which High School District also includes the Town of Blind River.

In two other cases, an analysis was made, at the request of certain of the municipalities concerned, of the financial effects of contemplated alterations of boundaries, which would involve amalgamation or annexation proceedings.

Research into the problems of municipal finance

A continuous study was commenced into the principles involved in rating the cost of municipal services under the provisions of The Local Improvement Act, section 380 of The Municipal Act, section 41 of the Ontario Water Resources Commission Act, the provisions of the average subdivider's agreement and under the terms of certain private legislation secured by municipalities in recent years.

In addition, studies have been commenced into a number of other areas of municipal finance.

Pensions for municipal employees

The Finance Branch is responsible for the administration of those sections of the statutes authorizing muni-

cipal councils to establish, alter, amend, consolidate, discontinue, terminate or repeal pension plans or funds for employees of municipalities and local boards.

During 1964 two important legislative changes were introduced, concerning pensions, namely:

- subsection 3 of section 248c of The Municipal Act was amended to attempt to ensure that, where an employee transfers his employment from a municipality to another governmental unit, he may transfer, not only his own contributions, but the value of the pension benefits earned in the pension plan of his employer prior to his termination of employment, and
- the regulations made under paragraph 59 of section 377 of The Municipal Act were amended to provide for a refund of the employee's contributions to a pension plan where he terminates his service for a reason other than death or retirement.

Because of the continuing wide acceptance of the Ontario Municipal Employees Retirement System by the municipalities and local boards, the enactment of The Pension Benefits Act and the general interest in pensions prevalent in Canada today, the Branch examined in detail many complex amendments to pension plans which were submitted by the municipalities for approval and discussed these amendments with municipal officials and actuaries prior to recommending their approval.

Because of their highly technical nature and the complex problems associated with pension plans, the increased number of applications for amendments to pension plans and the increased level of pension problems generally, a senior position was established during 1964 to make readily available, through one central office within the Department, informed and experienced advice and assistance to municipalities and local boards.

The Minister of Municipal Affairs is temporarily the Board of the Ontario Municipal Employees Retirement System, during the important early years of the System. Because of this fact some of the senior members of

this Branch and the Assistant Deputy Minister, are called upon to advise the Minister, in his capacity as the Board, concerning decisions related to the management and administration of the System, associated with the participation of municipalities and, generally, to advise upon the growth and expansion of the System within the general framework of municipal pension plan policy in the Province.

Reports and Information

The Municipal Directory

The Municipal Finance Branch made a comprehensive revision of the 1964 Municipal Directory so that the information therein would be more readable and significant to the municipalities, the public and private organizations and the individuals who make extensive use of the publication.

Among the changes which were made were the following:—

- ☐ the exempt assessment of each municipality was included,
- ☐ the term of office of a council, elected on a biennial basis, or the existence of the staggered system of elections was indicated,
- ☐ the growth in the population and the assessment of the municipalities was analyzed and illustrated in a more meaningful manner by means of diagrams,
- ☐ the typography was revised, and
- ☐ unreliable information on road and street mileage within the municipalities and acreage of the municipalities was deleted.

The Analysis of Assessment, Population and Area

The Clerk's General Return was completely revised during 1964 and retitled the "Analysis of Assessment, Population and Area".

Since the municipal assessor is the official of the municipality who is responsible for the preparation of the assessment roll and is familiar with the various types of property contained therein, responsibility for the

preparation of this new return was transferred from the clerk of the municipality to its assessor or assessment commissioner.

In order to gather the information necessary to permit the Department of Education to administer the new Corporation Tax Adjustment Grant a new schedule to determine and analyze the "corporation" assessment of each municipality was inserted in the return. A four-page explanation, designed to outline the meaning of "commercial" and "residential and farm" assessment as required to calculate tax rates for general municipal purposes and school purposes pursuant to the provisions of section 294 of The Municipal Act and the Regulation made under the Residential and Farm School Tax Assistance Grants Act, 1960-61, was prepared and inserted in the return. This explanation also discussed at length the meaning and significance of "corporation" assessment as related to the new Corporation Tax Adjustment Grant.

In addition, the explanation outlined the factors to be taken into consideration to determine the resident status of a person for purposes of determining if that person should be entered on the assessment roll as a resident of a particular property and thereby determine his status for the purposes of the per capita subsidy paid under the Municipal Unconditional Grants Act.

The Annual Report of Municipal Statistics

The Branch prepared the Annual Report of Municipal Statistics for the year 1963 from the audited financial statements of the municipalities as examined by the staff of the Municipal Accounting Branch.

The Report contains comprehensive financial data relating to the indebtedness, taxation, revenues and expenditures of each of the 978 municipalities in Ontario and also certain comparisons and trends among the various classes of municipalities. This Report is the major source from which the municipalities, the Pro-

vincial agencies and the financial institutions obtain information relating to the finances of municipalities.

Other Information

The Municipal Finance Branch also supplied financial information relating to specific municipalities or particular municipal problems, to many public and private bodies and organizations and to individuals.

MUNICIPAL SUBSIDIES BRANCH

General responsibilities

The general responsibility of the Municipal Subsidies Branch is to administer those loan, shared-cost and subsidy programs for which the Department is responsible by:

- ☐ representing the Department in relationships with the federal and provincial Departments or agencies, or with the municipalities, which are involved in the development of the policies and the procedures used to administer the programs,
- ☐ preparing internal procedures in connection with the programs,
- ☐ preparing the instructional material, forms and records necessary to make the programs available to the municipalities,
- ☐ providing information and advice to federal, provincial and municipal officials by telephone, correspondence and visitation, and
- ☐ processing applications for entitlement and claim for payments under the various programs.

The twelve programs administered are referred to in detail hereafter.

The Municipal Works Assistance Program

The Municipal Works Assistance Program is a federal-

provincial-municipal Program designed to increase employment by making loans available to municipalities if they augment or accelerate capital works projects.

The total sum available to municipalities and school boards in Ontario is \$136,769,548.

The loan bears interest at varying rates according to the date of the commitment ($5\frac{1}{4}\%$ in 1963, $5\frac{3}{8}\%$ in 1964, $5\frac{1}{4}\%$ from January 1, 1965 until a further revision, if any, takes place) and the repayment of 25 per cent of the principal amount of the loan will be subject to forgiveness so far as it relates to costs incurred prior to April 1, 1966.

The Branch sent to every municipality in Ontario two letters, a pamphlet and a memorandum giving details of the Program and full particulars were also supplied to school boards. The Branch administered a system of allocation of funds to municipalities and school boards based on population and past borrowing for capital works which was devised to ensure a fair distribution of the sum available.

Members of the staff received more than 100 delegations from municipalities and school boards and also gave talks on the Program at meetings of municipalities.

	<u>Participants</u>		<u>Number of Projects</u>	<u>Estimated amount of loan</u>
	<u>Municipalities</u>	<u>School Boards</u>		
Applications received	161	133	597	\$99,219,000
Commitments to make a loan issued	89	62	252	60,396,000
Loans made	1	—	1	5,800,000

The types of projects include water treatment plants and distribution mains, sanitary and storm sewers, streets, municipal buildings, schools and extensions to the Metropolitan Toronto Subway System.

Early in 1965, the allocation of the remainder of the funds available to the participating municipalities and school boards will be completed.

The Centennial Grants Program

The federal-provincial-municipal Centennial Grants Program makes grants available to municipalities to encourage them to undertake projects of a lasting nature to commemorate the centennial of Canada's confederation.

The amount available to the municipalities in Ontario is approximately \$13,000,000 and each municipality may receive a contribution of \$1.00 per capita from each of the federal and provincial governments.

A memorandum explaining the Program and application forms were sent to each municipality. Twenty-five delegations from municipalities were given details of the Program and members of the staff attended several seminars and meetings of municipalities to explain the Program and answer questions.

The position at December 31, 1964 was as follows:

<u>Applications</u>	<u>Number of projects</u>	<u>Estimated amount of federal and provincial grants</u>
Received	453	\$7,780,000
Approved by Ontario	100	1,325,000
Approved by Canada	70	913,000

The types of project being submitted have included parks, recreation grounds, community centres, arenas, swimming pools, libraries, museums, monuments, municipal offices and the publication of books.

The Winter Works Incentive Program

The federal-provincial-municipal Winter Works Incentive Program is designed to create job opportunities and combat the serious problem of winter unemployment by encouraging municipalities to carry out needed public works projects in the winter, which would not normally be carried out at that season of the year in the absence of the Program.

The Program provides for a reimbursement of direct payroll costs on approved projects of 50 per cent from Canada and 25 per cent from Ontario. In designated areas of high winter unemployment, the rates are 60 per cent and 30 per cent respectively.

In administering the Program, the Branch distributed an explanatory memorandum and application forms to the municipalities, approved applications and secured their acceptance by Canada, made interim and final payments and co-ordinated a program of verification of projects carried out by the Municipal Accounting Branch and the Department of Highways.

Program	Number of			Direct Payroll Costs	Reimbursement		Per-centage
	Municipalities	Pro-jects	Man-days of Work		Canada	Ontario	
			'000	\$'000	\$'000	\$'000	
1958-59	186	579	310	3,990	1,995	945	100%
1959-60	187	670	383	4,890	2,445	1,175	124
1960-61	333	1,403	743	10,750	5,375	2,575	272
1961-62	325	1,270	706	11,050	5,520	2,660	281
1962-63	346	1,264	794	13,866	6,933	3,320	351
1963-64(1)	340	1,100	700	11,250	5,725	2,700	286

(1)—Estimated

Unconditional Per Capita Grant

The unconditional per capita grant is paid to all municipalities in Ontario in recognition of the expenditures that they are required to make to provide municipal services.

Each local municipality is entitled to assistance which is graduated from \$2.00 per capita to \$5.50 per capita, and which is applied to reduce the mill rate levied on residential and farm assessment.

The Branch administers the Program by calculating the amount due to each municipality, by making interim and final payments and, in areas where the population has changed considerably, by verifying the population.

The amounts paid during the last five calendar years have been as follows:

	1960	1961	1962	1963	1964
	\$'000	\$'000	\$'000	\$'000	\$'000
Amount of Grant	23,080	23,644	24,298	24,476	24,652

Grants for the Hospitalization of Indigents

In order that a municipality may be relieved of part of the cost incurred on the hospitalization of indigents resident in the municipality, a grant is payable equal to 80 per cent of expenditures incurred less 50 per

cent of the amount, if any, recovered by the municipality.

In 1964, as a result of studies and recommendations made by the Department, the legislation was changed so that:

- expenditure of the municipality would be subsidized on an accrual rather than on a cash basis, thereby removing the disallowance of certain expenditures,
- expenditures made to certain private hospitals would be recognized, and
- in order to encourage the municipality to attempt to recover any revenue which may be due in respect of hospitalization expenses paid on behalf of indigents, the municipality would retain 50 per cent of such recoveries instead of 20 per cent.

The amounts paid during the last three calendar years have been as follows:

	1962	1963	1964
Number of municipalities	175	202	189
Amount of reimbursement	\$736,000	\$1,358,000	\$1,660,000

Payments under The Fire Departments Act and The Police Act

In order to assist a municipality to make provision for pensions for full-time fire fighters and policemen through contributions to a pension plan, and for workmen's compensation for these employees, the province makes payments to municipalities based on the expenditures on these items.

The rate of subsidy is 25 per cent of eligible costs for municipalities where the population is less than 10,000 and the amount is reduced in steps to 10 per cent where the population is 70,000 or more.

The amounts paid during the last five calendar years have been as follows:

	The Fire Departments Act		The Police Act	
	Number of Municipalities	Amount of Grant \$'000	Number Municipalities	Amount of Grant \$'000
1960	288	178	175	122
1961	306	219	195	367
1962	306	197	182	277
1963	311	150	186	286
1964	315	286	193	320

Payments under The Drainage Act

The Drainage Act, 1962-63, is designed to improve land by encouraging the construction of drainage works by making grants to municipalities and carrying out drainage works in territory without municipal organization. Municipalities are entitled to receive a grant equal to a percentage of the approved cost of a project, which in counties is 33 1/3 per cent and in territorial districts is 66 2/3 per cent. Where the Province undertakes drainage works in territory without municipal organization an amount not exceeding 80 per cent of the cost of the works may be paid by the Province.

The Branch renders engineering advice and services to municipalities and to land owners by making surveys, preparing plans, inspecting completed works and, in unorganized territories, supervising the construction of drainage works. The staff of the Branch also gives advice on such financial matters as the preparation of estimates and the apportionment of the cost of the construction, improvement and maintenance of the drainage works that is to be borne by each of the owners of the land.

The amounts paid during the last five calendar years have been as follows:

	Number of		Amount of grant \$'000
	Municipalities	Projects	
1960	129	558	678
1961	129	552	664
1962	127	643	774
1963(1)	124	518	625
1964(2)	121	446	596

(1)—Prior to the first of June, 1963, grants toward municipal drainage were administered by the Department of Public Works.

(2)—Estimated.

Payments in Lieu of Certain Municipal Taxes

The Department of Municipal Affairs contributes to the revenues of municipalities by making payments in lieu of taxes under The Municipal Tax Assistance Act at the commercial mill rate of the municipality for general municipal purposes, in respect of certain property

owned by the Crown in right of Ontario and not occupied by a Crown agency, such as the provincially-owned properties occupied by the Departments of the Government for administrative and operational purposes.

The Department also makes payments under section 34 of The Assessment Act in respect of municipal taxes on provincially-owned land which is rented to a tenant.

The Branch, on the basis of valuations determined by the Assessment Branch and on receipt of copies of regular tax notices furnished by the municipality, makes payments in respect of approximately 5,000 properties.

The amounts paid during the last five calendar years have been as follows:

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
Amount paid	1,224	1,425	1,455	2,024	2,128

Redevelopment Area Grants

In order to assist municipalities in programs of urban renewal, the province makes grants equal to 25 per cent of prescribed costs towards the acquisition and clearance of land in areas which have been designated by the municipality with the Minister's approval as redevelopment areas.

The Municipal Subsidies Branch receives, verifies and pays claims from municipalities.

The amounts paid during the last five years have been as follows:

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Number of municipalities	2	3	4	4	5
Grants paid	\$498,000	\$641,000	\$903,000	\$735,000	\$995,000

Grants to Counties in Respect of Assessors

The Province makes grants available to counties to encourage the adoption of the county system of assessment by the appointment of county assessors and county assessment commissioners so that the level of assessment will be equated throughout the whole county.

Municipal Subsidies Branch

An amount of \$1,500 per annum is available towards a county assessor's salary, an amount of \$2,500 per annum towards a county assessment commissioner's salary and 50 per cent of approved expenditure on the initial purchase of office equipment for a county assessment commissioner will be paid.

The amounts paid during the last five calendar years have been as follows:

	1960	1961	1962	1963	1964
	\$'000	\$'000	\$'000	\$'000	\$'000
Amount paid	56	56	57	66	59

Fox Bounties

The province assists those municipalities which pay bounties on the destruction of foxes in order to combat the spread of rabies by reimbursing the municipality at the rate of \$2.00 per fox.

The amounts paid during the last five calendar years have been as follows:

	1960	1961	1962	1963	1964
	\$'000	\$'000	\$'000	\$'000	\$'000
Amount paid	11	10	11	12	11

Payments re Indian Reserves

Where a county contains an Indian reserve, the province assists the county in the cost of Administration of Justice by making a grant to the county of \$1.00 per Indian.

The amounts paid during the last five calendar years have been as follows:

	1960	1961	1962	1963	1964
	\$'000	\$'000	\$'000	\$'000	\$'000
Amount paid	12	12	13	13	13

MUNICIPAL ASSESSMENT BRANCH

General responsibilities

The Assessment Branch is comprised of a main office establishment and eight regional offices throughout Ontario. Each regional office is staffed by at least four trained and experienced assessment officers.

The primary functions of the Branch are to:

- ☐ educate and train municipal assessors,
- ☐ prepare and maintain a manual which may be used to determine the value of real property,
- ☐ encourage and assist in the establishment of the county and district assessment systems,
- ☐ compile assessment equalization reports for the apportionment of costs among the municipalities in the territorial districts,
- ☐ supervise assessment procedures in designated mining municipalities and improvement districts,
- ☐ determine assessment equalization factors which are used by various departments of the Government as a significant factor in the distribution of subsidies to the municipalities or local boards, and
- ☐ estimate the value of real property which is subject to the payment of a grant in lieu of taxes.

Education and Training

The Institute of Municipal Assessors

The Department, recognizing the ever increasing need for trained and qualified municipal assessors arranged, in 1964, to assist the Institute of Municipal Assessors in its efforts to improve the content of its training course. The Institute has, during the last ten years, graduated in excess of 500 assessors from this course.

The Institute's resources were, however, limited and it became increasingly difficult for the Institute to finance the cost of revising the course. Arrangements were finalized in 1963 under which the Department will assume the cost of the services of certain members of the staff of the Institute of Local Government at Queen's University in preparing a complete new series of lessons.

The new lesson material will be designed to develop the theoretical background which is necessary in a comprehensive training program for assessors. The new course will provide extensive coverage of such topics as economics, appraisal theory, urban geography, town planning and local government.

In order to encourage municipal assessors to avail themselves of the course, the Department will refund 60% of the yearly enrollment fee of a successful candidate. The total registration in the first year (1964-65) of the revised course is 116 persons.

The Board of Governors of the Institute of Municipal Assessors has set up an Education Committee to advise it in the preparation and the administration of the course. This Committee, comprised of two members of the Institute, two members of the staff of Queen's University and one member of the staff of the Assessment Branch, reports directly to the Board of Governors of the Institute on such matters as the content of the course, registration and fees. The examination of candidates is the prerogative of the University.

Guide for Assessors

The Assessment Branch initiated, in 1964, a comprehensive training program in the methods and procedures set out in the Guide for Assessors. This is a continuing program of education and consists of four two-week seminars, with subsequent field training. The purpose of such a program is to acquaint assessors with appraisal theory, and to instruct them in all aspects of residential, commercial and industrial cost estimating, the use of the income method to determine value, the analysis and the use of data on the sale of property and the assessment of rural properties.

The Department published a revised "Guide for Assessors" on August 14, 1964. This latest edition of the Guide has been prepared in two parts, one part being entitled "Appraisal Notes for the Assessor" and the other part being entitled "Assessor's Handbook of Cost Factors". The Notes is a 209 page document while the Handbook is a 287 page document.

The Assessor's Handbook of Cost Factors contains cost data which the assessor may use to estimate the replacement cost of a wide variety of buildings. This part also includes "in place" costs of the structural components of buildings such as heating, wiring, plumbing, partitions and doors. The Assessor's Handbook discusses various techniques which are used in the building trades to make cost estimates and furnishes illustrations of structural designs.

The preparation of the Guide involved the collection and analyses of a very great volume of data during a three-year period. A firm of appraisal consultants, namely, Marshall and Stevens Eastern Canada, Limited were retained by the Department to advise and assist in the project. The consultants, who are familiar with all phases of assessment work, helped to process the data and develop systems designed to improve assessment methods and procedures in Ontario.

Draft copies of the Guide were made available to the following organizations and committees for their comment and criticism, The Association of Assessing Officers, Institute of Municipal Assessors, The Federation of Agriculture, National Home Builders Association, Heating Association of Canada, Canadian Institute of Steel Construction, Institute of Local Government, Queen's University and other interested groups and individuals.

Each group discussed its findings at length with the officers of the Branch. As a result of these discussions a number of changes which did much to improve the final draft, were made.

New and more efficient construction techniques are constantly being developed. Suppliers are regularly making available to the construction industry new and improved building materials. It will, therefore, be necessary to revise sections of the Assessor's Handbook of Cost Factors from time to time. The Branch is presently preparing revised cost tables for high rise apartment buildings and neighbourhood banks.

The County and District Assessment Systems

Section 93a of The Assessment Act was amended in 1963 to provide that, with the approval of the Minister, a county council may, by a majority vote, pass a by-law to appoint a county assessment commissioner who shall have all the powers, duties and privileges of an assessor for each of the municipalities within the county. As a result of this amendment, ten counties, namely Bruce, Kent, Lincoln, Waterloo, York, Renfrew, Prince Edward, Hastings, Prescott and Russell and Stormont, Dundas and Glengarry, have established the county commissioner system.

Section 104 of The Assessment Act, which provides for the appointment of a district assessor in the territorial districts was amended in 1964 to provide that upon the request of two-thirds of the municipalities in the district, excluding the improvement districts, the

Minister may appoint a district assessor in a district. The section now provides that the district assessor, when appointed, is authorized to assess all real property for each municipality and school section in those portions of a district without municipal organization. A district assessor for the District of Cochrane was appointed in 1964.

The Assessment Branch encourages municipalities in the counties and districts to employ these centralized systems of assessment. Experience indicates that the larger centralized systems will provide increased equality and efficiency in the assessment of property in the municipalities. The local municipalities will enjoy the many benefits which will accrue from a better standard of assessment practice and the use of consistent methods and procedures. Each local municipality cannot afford to secure the services of the trained and experienced assessor and the office equipment essential to secure a high standard of assessment. The establishment of such systems will bring an employment environment which, by the use of proper training methods, will attract men anxious to become trained and experienced in the valuation of real property and to take up such a vocation as a career.

The cost of implementing the county and district assessment system is not prohibitive. In some instances, the new system will cost more than the individual local municipalities had previously expended on the assessment of property. The additional cost will be offset to a considerable extent, however, by the subsidies which are made available by the Department. The subsidies includes an amount not to exceed \$12,500 toward the salary of the commissioner and his staff, the exact amount of which is calculated by the use of three factors, namely population, the number of municipalities in the system and the equalized assessment. The subsidy includes an amount of 50% of the cost of office equipment used in processing assessment data and 50% of the rental of such equipment.

Assessment of Designated Mining Municipalities and Improvement Districts

Assessment officers from the Branch supervise the assessment procedure in the 59 municipalities which receive mining revenue payments and the 18 improvement districts. These municipalities are visited by a member of the staff each year. Assessment methods are examined and, when necessary, instructions for adjustments and improvements are given. Uniform assessment practice must be maintained in these municipalities and improvement districts in order that the mining revenue payments may be distributed properly.

Equalization of Assessment Reports

The Branch prepares annually assessment equalization reports for ten of the eleven districts. These equalization reports form the basis upon which the cost to maintain a home for the aged in a district and where applicable the cost of public welfare, is apportioned among the municipalities concerned.

Valuation of Real Property for Payments in Lieu of Certain Municipal Taxes

Assessment officers from the regional offices are responsible for estimating the value of all real property held by the Crown in right of Ontario or its agencies which is subject to the payment of grant in lieu of taxes. In 1964, valuations were prepared under the provisions of The Municipal Tax Assistance Act for 3,520 properties in 622 municipalities and under the provisions of The Hydro-Electric Power Commission Act for 4,318 properties in 521 municipalities.

Of the municipalities in Ontario 80% received grants in lieu of taxes under one or both of these statutes.

In certain instances, the Government of Ontario pays, on behalf of tenants in provincially-owned properties, the real property taxes and other charges levied by the municipalities against such tenants. The assessments upon which these levies are based are made by the local assessor and are checked by the Branch for equality and consistency.

The Maintenance of an Equalization of Assessment Program

One of the most important considerations in the development of a municipal subsidy program is that the funds be distributed equitably. The valuation of real property is evidence of a municipality's ability to provide municipal services to its inhabitants if the valuation has been prepared by the use of sound and consistent methods.

The assessment rolls of the municipalities and the school sections in territory without municipal organization are prepared under the supervision of individual assessors. The principles and methods used in the preparation of these assessment rolls vary from municipality to municipality as does the competence of the individual assessor.

Therefore, in order to determine the assessment of all the real property across the province on a consistent basis, the Assessment Branch has established an extensive program designed to convert the actual assessment as determined by the local assessor, to a uniform assessment usually referred to as an "equalized" assessment. The equalized assessment is used to calculate equalized assessment indices which are used extensively in the calculation of the grants to the local school boards by the Department of Education. They are also used, to a lesser extent, by the Department of Highways in the administration of certain aspects of its highway subsidy program.

In order to prepare these indices of equalization the Branch maintains a province-wide sampling and sales analysis program. Indices are prepared for each of the 938 local municipalities and the 401 school sections in territory without municipal organization by establishing the relationship between the taxable assessment of each taxing jurisdiction as determined by the local assessor and the provincial norm. In 1964, the indices were based upon a comparison of assessment for some 55,000 taxable properties and after analysis of some 95,000 property sales.

MUNICIPAL ORGANIZATION AND ADMINISTRATION BRANCH

General responsibilities

The main responsibilities of the Branch are:

- ☐ to provide general assistance and advice to the municipalities,
- ☐ to examine into problems of municipal organization,
- ☐ to carry out the Department's administrative duties with respect to the improvement districts and those municipalities which, from time to time, are placed under the Department's full or partial supervision,
- ☐ to administer the regulations under The Assessment Act with respect to the mining revenue payments to the designated mining municipalities,
- ☐ to administer the tax arrears procedure under The Department of Municipal Affairs Act,
- ☐ to approve of the purchase and sale by the municipalities of industrial lands, and
- ☐ to approve of certain types of municipal by-laws.

The functions of the Branch are carried out under two main sections, namely the Municipal Organization Section and the Municipal Administration Section.

MUNICIPAL ORGANIZATION SECTION

Formed as a result of the reorganization of the Department in 1963, this Section has as its main function responsibility for a continuous examination and study of, and reporting upon and recommending in connection with, such matters as:

- the incorporation of new and the reorganization of existing municipalities and local boards,
- the organization of various classes of municipality and the functions and composition of the council,
- the boundaries of municipalities,
- the incorporation of municipalities and changes in the status of municipalities, and
- general advice in connection with the preparation of the estimates, the levying and collection of taxes, including discount, penalties and interest.

Where a new municipality is established an official of the Branch calls on the municipal officials as soon as is practicable and offers the assistance of this and the other Branches of the Department in initiating the operations of the municipality.

The Branch annually answers a large volume of requests for information from ratepayers groups, service clubs, students and the public at large.

MUNICIPAL ADMINISTRATION SECTION

Improvement Districts

The Branch continued, in 1964, to discharge the Department's administrative responsibilities under Part III of The Department of Municipal Affairs Act in respect of improvement districts. This form of municipi-

pal government is usually established in areas without municipal organization in those northern parts of the Province where the need for municipal organization usually arises by reason of a sudden influx of population caused by the location of a new industry or the commencement of a mining operation.

There are at present 18 improvement districts — two less than in 1963. With effect from January 1, 1964, the Improvement District of Longlac became a Township and the Improvement District of Val Albert was amalgamated with the Town of Kapuskasing. Since the legislation which provided for the establishment of improvement districts was enacted in 1943, 31 improvement districts have been formed, 13 of which have subsequently achieved a change in status as follows: eight established as townships, two established as villages and three established as towns.

During the year the Branch continued to work in close co-operation with the Improvement District of Elliot Lake in dealing with the many municipal problems arising from the decline in the uranium industry.

Special Projects

In granting approval to the incurrence of municipal debt, the Ontario Municipal Board has, in certain instances, stipulated in its order that the municipality shall obtain the approval of the Department of Municipal Affairs to the estimates of the municipality during the lifetime of a particular issue of debentures. At present, nine municipalities are subject to this requirement.

At the request of the Department of Education, the Branch has supplied assistance in the administration of the Niobe Lake Public School Section in the District of Thunder Bay.

Departmental Approval for Certain Municipal By-laws

The approval of the Department is required by statute to certain functions of municipalities, such as the following which come within the scope of the Branch:

- ☐ the acquisition and disposition of land for industrial sites,
- ☐ the fixing of certain license fees in respect of hawkers and pedlars,
- ☐ the use of reserve funds for any purpose other than that for which the fund was established,
- ☐ the destruction of municipal records,
- ☐ the assessment by a township of telephone and telegraph companies on the basis of gross receipts instead of miles of wires and circuits.

The following schedule shows the approvals given in respect of industrial sites during the past five years:

Industrial Site Approvals						
Year	Acquisitions			Dispositions		
	Number of Municipalities	Total Acreage	Total Cost	Number of Municipalities	Total Acreage	Total Sales
1960	7	310	\$ 551,667	21	181	\$ 711,021
1961	7	182	565,211	19	215	1,065,719
1962	7	266	777,463	21	148	583,608
1963	9	454	517,854	26	266	1,006,635
1964	13	1,265	1,572,302	31	496	1,329,383

Designated Mining Municipalities

Section 35 (5) of The Assessment Act provides that municipalities may not assess the buildings, plant and machinery in, on or under mineral land which are used mainly for obtaining or storing minerals from the ground, the concentrators and sampling plant, and, subject to certain exceptions, the minerals in, on or under the mineral land. However, under section 35 (8) and (11) municipalities and, in unorganized territory, the school boards may assess and levy taxes on the profits from a mine or a mineral work within the limits specified.

Under section 36 of The Assessment Act the Minister may make regulations providing for making payments to mining municipalities and for designating municipalities as mining municipalities for the purpose of the regulations. Where a municipality receives a payment in any year under the regulations, it cannot assess and

tax the profits of any mine or mineral work in that year and it must obtain the approval of the Department for certain municipal acts and procedures, primarily the adoption of the estimates of the municipality and of its local boards.

The totals of the payments to designated mining municipalities for the past four years are:

Calendar year	1961	1962	1963	1964
	\$'000	\$'000	\$'000	\$'000
Amount of payment	5,300	5,506	5,909	6,022
Number of municipalities	58	59	59	59

The Arrears of Taxes Procedures

In accordance with the provisions of Part II of The Department of Municipal Affairs Act, the Minister may order that, in regard to the recovery of property tax arrears, the tax sale procedures of The Assessment Act, the Public Schools Act and The Secondary Schools and Boards of Education Act, shall cease to apply in any municipality and that the tax arrears procedures as set forth in Part III shall apply.

Under the tax sale procedure of The Assessment Act, the county treasurer, under warrant of the county warden, or the treasurer of a municipality having the power to sell lands for arrears of taxes, prepares, publishes and posts up lists of lands the taxes on which are three years in arrears. The notice indicates the time and place for the proposed sale. In due course the sale is held and a certificate of sale is given to the purchaser. After a period of one year, during which the registered owner or any encumbrancer has the right to redeem the property, the purchaser receives a tax deed.

The tax arrears procedure of The Department of Municipal Affairs Act, on the other hand, provides that where taxes on vacant land are in arrears for two years, or taxes on improved land are in arrears for three years, the land vests in and becomes the property of the municipality upon the registration of a tax arrears certificate. The land continues to vest in the municipality unless "vacated" by the municipality (due to some error

of registration), or redeemed within one year by the previous owner or any other person having such right, or until sold.

The tax arrears procedure confers benefits on the municipality by simplifying the procedures to be followed and, in order to ensure that the taxpayer is protected, the procedures under The Department of Municipal Affairs Act are subject to the approval of the Department.

During 1964 orders were made in respect to the Towns of Alliston and Bradford, the Village of Frankford and the Township of Thurlow. During the past three years, the approvals given by the Department under the tax arrears procedure have totalled:

Calendar year	<u>1962</u>	<u>1963</u>	<u>1964</u>
Number of approvals	4,265	4,992	6,087

The Municipal Corporations Quieting Orders Program

The object of this program is to remove uncertainties concerning the status, the date of incorporation and the boundaries of municipalities and to have such information officially recorded in the form of quieting orders under The Municipal Corporations Quieting Orders Act.

Boundary descriptions are prepared in the Department by an Ontario Land Surveyor from the original survey notes and brought up to date with regard to boundary changes due to annexation or amalgamation. The completed descriptions are then plotted on maps of the respective townships by the Drafting Section of the Community Planning Branch. Prior to the application and relevant material being submitted to the Ontario Municipal Board by the Department, on behalf of the municipality, a visit is made to the municipality to provide an opportunity for any areas of doubt to be disclosed and to enable the municipality to review the assembled material.

Orders for most of the townships in the districts have been obtained and the current program is directed toward the townships in the counties.

General Assistance and Advice to Municipalities

This service to the municipalities extends to many aspects of municipal organization and administration and takes the form of active assistance or of advice in such matters as:

- ☐ the composition of the council, the board of control, the local boards and the committees thereof,
- ☐ the conduct of the meetings of the council, the board of control and the local boards, including the procedures necessary to adopt resolutions and by-laws,
- ☐ filling vacancies on the council, the board of control and the local boards,
- ☐ procedures associated with elections, and
- ☐ the preparation of resolutions and by-laws.

Other Activities

The Section completed the revision and updating of the Department's former publication entitled "Basis of Grants and Subsidies Payable to Municipalities." The revised edition was distributed, in a more comprehensive form, under the new title "Provincial Assistance to Municipalities, Boards and Commissions." A complimentary copy was furnished to every municipality.

The Section carried out limited studies concerning certain types of municipal organization, including representation on and the functions of, the county council, studies in respect of possible annexations and amalgamations and participated, with several municipalities, in studies related to the co-ordination of municipal services.

The Section arranged and assisted in programs of instruction in the Ontario system of local government for Commonwealth and foreign students and assisted in obtaining, analyzing and compiling information for certain Committees and Commissions.

ACCOUNTS BRANCH

The Accounts Branch is responsible for the co-ordination of the efforts of the officers of the Department in the preparation of the Estimates of the branches and prepares the final submissions of the branches for presentation by the Department to the Treasury Board and the Government. The Accounts Branch is also responsible, in co-operation with the individual branches, for the preparation of the information required by the Minister in his presentation of the Estimates of the Department to the Legislature. After the acceptance of the Estimates by the Legislature, the Branch maintains the controls which are necessary to ensure that the expenditures of the Department, during the fiscal year, are within the funds authorized.

The Accounts Branch is also responsible for the preparation of the payrolls of the Department and for the administration of the related fringe benefits and also for the presentation of duly authorized requisitions to the Treasury for payment of accounts for furniture, equipment, stationery supplies, services and travelling expenses and also for the payment of all requisitions, as prepared and submitted to the Branch by the Municipal Subsidies Branch, in payment of loans and subsidies.

The Branch is also responsible for the collection of all revenues payable to the Department.

The Branch maintains the books of account of the Department and prepares, for the use of the senior officers, regular summaries of the expenditures of the branches and also prepares all statements of cash flow and forecasts of revenue and expenditures required by the Treasury.

Prior to the establishment of the Municipal Subsidies Branch in June, 1964 the Accounts Branch administered certain of the municipal subsidies for which the Department is responsible.

OPERATIONS BRANCH

The Operations Branch is responsible for the administration of personnel policies, the Departmental library and the general office services of the Department. The personnel section of the branch renders advice and assistance to the senior officials and the members of the staff of the Department on The Public Service Act and the regulations thereunder, administers a system of employee complement and salary control and a system of position classification, maintains a detailed personnel record of each member of the staff of the Department and assists various branches of the Department with problems associated with recruitment and staff appointments.

The complement of the Department, as approved by the Treasury Board and the numbers of persons on staff at the beginning and at the end of the year were as follows:—

January 1, 1964			December 31, 1964		
Comple- ment	On staff	Under Comple- ment	Comple- ment	On staff	Under comple- ment
268	224	44	276	237	39

This Branch is responsible for the departmental library which contains a very extensive source of information into many aspects of local government organization and administration, assessment, land use, finance, the history of local government and many other re-

lated topics. The library maintains in excess of 8,000 books, periodicals and reports and more than 1,700 maps. The library, on behalf of the officials and staff of the Department, subscribes to 14 newspapers and maintains membership in twelve associations in the field of municipal assessment, accounting, finance, law, history and planning. The library also maintains an up-to-date index of the orders of the Ontario Municipal Board and of the private bills enacted by the Legislature at the request of the municipalities.

The remaining services rendered by the Branch to the other branches of the Department are in connection with the procurement of furniture, equipment, stationery, supplies and services and the receipt, storage and distribution thereof, the maintenance of a mail and messenger service and of certain reproduction and printing services, the operation of a central filing system and the maintenance of a liaison with the Department of Public Works in connection with space requirements and office layout.

BRUNETVILLE IMPROVEMENT PROGRAM

In 1960 the Government, recognizing that a serious health, social and local government problem existed in that portion of the Township of O'Brien which was adjacent to the Town of Kapuskasing and which was known as Brunetville, took certain steps in co-operation with local government officials and the citizens involved, to eliminate the problems which existed.

In 1963 the Minister of Municipal Affairs initiated an application before the Ontario Municipal Board for the annexation to the Town of Kapuskasing of the lands of the Improvement District of Val Albert, the lands known as Brunetville and certain other lands in the Township of O'Brien. This application was successful. The enlarged Town of Kapuskasing came into being as of January 1, 1964.

During 1964, in co-operation with the officials of the Town of Kapuskasing and a number of Provincial departments, a great amount of effort was expended to:

- ☐ prepare the details of the loans and the subsidy to be provided by the Province and to secure official authorization thereof,
- ☐ develop the methods to be used by the Town of Kapuskasing to rate against the abutting lands a

certain portion of the cost of the roadways, sewer and water services to be installed,

- ☐ establish the standards to be used to govern the rehabilitation of the buildings in the area,
- ☐ develop the arrangements under which the home-owner could finance the cost of acquiring land and rehabilitating their homes and acquainting the home-owners with the terms of these arrangements.

By the end of 1964 the final plan of subdivision had been approved by the Minister, funds arranged through the Ontario Housing Corporation and the construction of the municipal services commenced.

DEPARTMENTAL-MUNICIPAL CONTACTS

Meetings arranged by municipal organizations

As a continuation and an expansion of the Department's program of education, promotion and leadership in the field of municipal affairs, and to ensure that the senior members of the staff are familiar with recent developments in all areas of local government, certain officers of the Branches participated during 1964 as chairmen, speakers or panelists at conferences conducted by such organizations as the Ontario Municipal Association, the Association of Ontario Mayors and Reeves, the Ontario Association of Rural Municipalities and the Ontario Division of the Community Planning Association of Canada. Senior officers also attended some of the meetings of the associations which represent municipalities from a particular area of the Province and also the annual conference of the Municipal Clerks' and Finance Officers' Association of Ontario and the Association of Assessing Officers of Ontario.

Meetings arranged by the Department

The staff of the Department made, or assisted in making, the arrangements for a number of important conferences during the year. The most notable, perhaps, was a Symposium on Urban Renewal and Housing which was sponsored jointly by the Community Planning Branch, the Ontario Housing Corpora-

tion and Central Mortgage and Housing Corporation. This Symposium, held in Toronto on December 16 and 17, 1964, was attended by 500 representatives from the municipalities in southern Ontario. The Community Planning Branch also made the arrangements for a conference in Toronto at which officials from many of the planning boards in Ontario met with the staff of the Branch for the purpose of discussing planning practices and keeping up to date on current developments.

Departmental Workshops

During 1964 Departmental workshops were held at North Bay, Timmins, Sudbury, Fort William, Nipigon and Fort Frances. These workshops have been gradually developed in recent years until during the latter months of 1964 staff from the Community Planning, Finance, Accounting, Assessment and Organization and Administration Branches have participated in a single workshop. An average workshop extends over a period of two days and is attended by fifty to one hundred representatives from fifteen to twenty municipalities in the area. Each participant at a workshop has an opportunity to exchange knowledge and ideas and to share experiences with other municipal officials and members of the staff of the Department. A typical list of the questions discussed includes fifty to one hundred inquiries concerning various aspects of administration, assessment, community planning and finance. Emphasis at these workshops is on the many practical problems which arise from day to day in the administration of a municipality.

Visits with municipal officials

The staff of the Department, operating from the regional offices and from headquarters, made more than 5000 visits to municipalities in carrying out the various programs of the Department. These visits provided an opportunity to the members of the staff to ascertain and to discuss the problems of the municipalities and also, of course, to render assist-

ance and advice in connection with the solution of these problems. The program of the Assessment Branch, for instance, entailed at least two visits to each of the 978 municipalities in the counties and the 401 school sections in the unorganized territories.

Visits from municipal officials

The staff of the Department received at headquarters and regional offices of the Department many hundreds of delegations composed of elected and appointed officials and also many individual municipal officials and citizens who sought information, advice or assistance concerning one of the programs of the Department or one of the aspirations or the problems of a municipality.



COMMITTEE

MUNICIPAL AFFAIRS

MUNICIPAL

MUNICIPAL SUBSIDIES

MUNICIPAL FINANCE

MUNICIPAL ACCOUNTING

OPERATIONS

LAW

ASSESSMENT

COMMUNITY PLANNING

ACCOUNTS

ORGANIZATION AND ADMINISTRATION



THE HONOURABLE J. W. SPOONER
Minister of Municipal Affairs



ONTARIO

OFFICE OF
MINISTER OF MUNICIPAL AFFAIRS

801 Bay Street
Toronto 5, Ontario

April 1, 1966

The Honourable W. Earl Rowe, P.C. (C)
Lieutenant-Governor of the Province of
Ontario

Your Honour:

The undersigned has the privilege
of submitting for the information of Your
Honour and the Legislative Assembly, the
Annual Report of the Department of
Municipal Affairs.

Respectfully submitted

A handwritten signature in cursive script, appearing to read "J. W. Spooner".

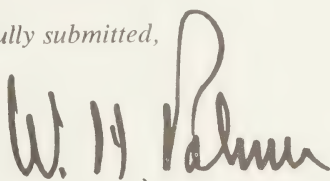
J. W. Spooner
Minister

FOREWORD

TO THE HONOURABLE J. W. SPOONER,
MINISTER OF MUNICIPAL AFFAIRS

I have the honour to present to you the Thirty-second Annual Report of the Department of Municipal Affairs for the calendar year ended December 31, 1965. This Report is presented in accordance with section 5 of The Department of Municipal Affairs Act.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "W. H. Palmer". The signature is fluid and cursive, with a large, prominent loop at the end of the last name.

W. H. PALMER
Deputy Minister

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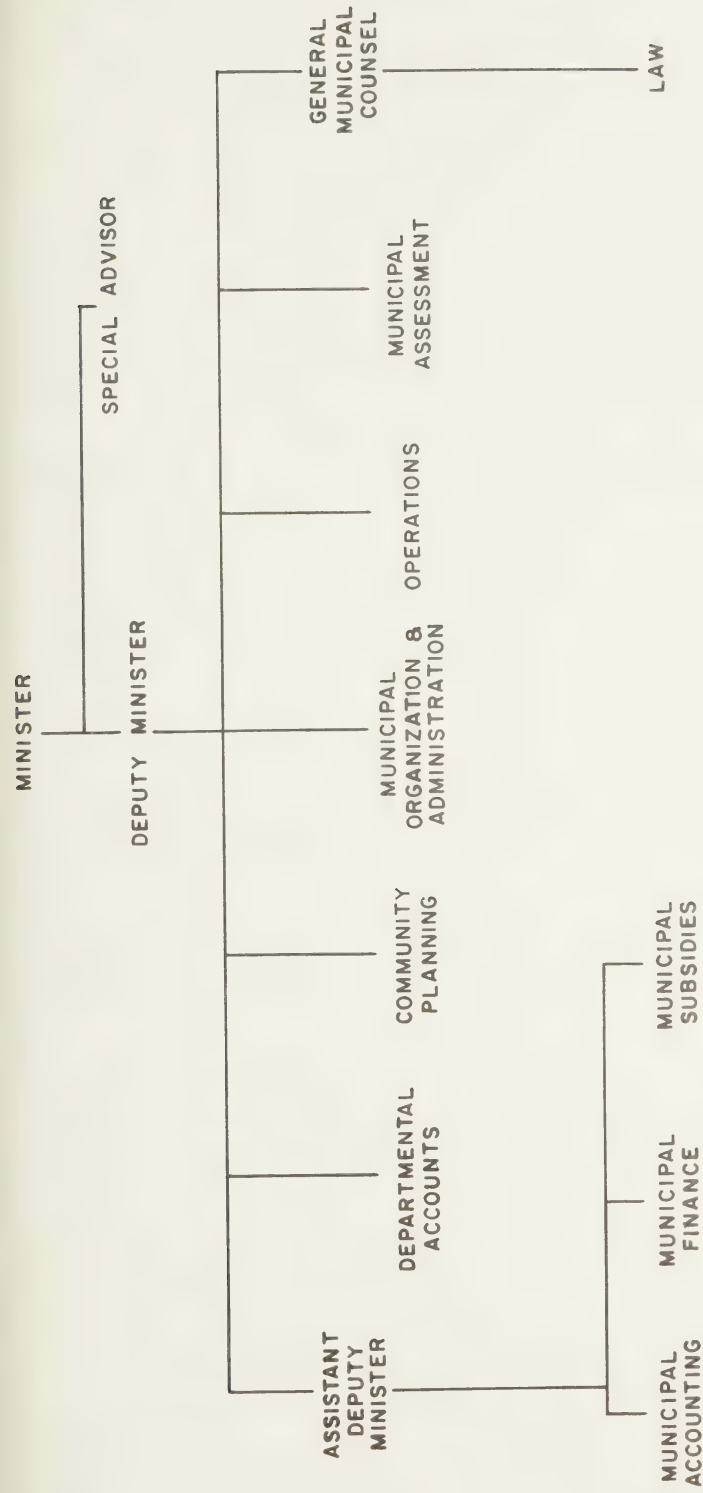
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DIRECTORY

Minister	HON. J. W. SPOONER
Executive Assistant	J. M. MAIN
Special Advisor to the Minister	L. R. CUMMING, Q.C.
Assistant	J. O. PEARSON
Deputy Minister	W. H. PALMER
Executive Officer	V. BOZZER
Special Assessment Officer	M. R. SLOAN
Assistant Deputy Minister	PAUL HICKEY
General Municipal Counsel	C. W. YATES, Q.C.
Director of Community Planning	D. F. TAYLOR
Director of the Law Branch	J. W. BELL
Director of Municipal Accounting	R. J. WATSON
Director of Municipal Assessment	P. G. GILLIS
Director of Municipal Finance	W. H. L. GODSALVE
Director of Municipal Organization and Administration	A. T. BUTLER
Director of Municipal Subsidies	M. D. TREWIN
Chief Accountant	G. E. HIGHAM
Director of Operations	A. T. SUTHERLAND
Librarian	MISS B. WEATHERHEAD



The Ontario Municipal Board and the Ontario Municipal Employees Retirement System report to the Legislature through the Minister of Municipal Affairs.

PUBLICATIONS

Annual Report – Department of Municipal Affairs

Annual Report of Municipal Statistics

Municipal Directory

Summary of Legislation Affecting Municipalities

“Ontario Planning” – four issues

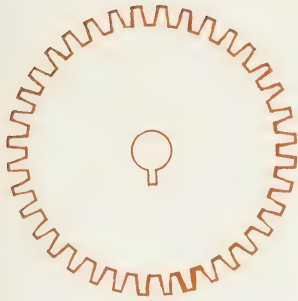
PAMPHLETS

A Better Place to Live – Community Planning

For Your Information – Assessment

BULLETINS AND INSTRUCTIONAL GUIDES

These are issued as needed from Branches of the Department



COMMUNITY PLANNING BRANCH

Legislative changes and a rapidly rising interest in urban renewal made 1965 perhaps the most active year in the 20-year history of the Branch.

In some cases, the volume of activity increased up to three times. One particularly heavy area was the number of applications requiring approval or review. The fact that the existing staff were able to handle the additional work loads without serious bottlenecks is a tribute to their quality and ingenuity.

Extensive efforts were made to recruit additional staff with experience in planning administration, design and research. However, these efforts were generally unproductive due to a continuation of the extremely tight market situation concerning trained community planners.

Staff mobility was unusually high, thus adding to the difficulties of staff training programs. During the year the Branch recruited 29 new staff members, lost 25 and finished with four more than at the beginning of the year.

However, despite the recruitment problems which necessitated some cutback in many programmed research and promotional projects, the Branch was able to handle the new and expanded responsibilities without reducing the standard of service.

Committees of Adjustment

On May 3, 1965 various changes in The Planning Act came into force. These had significant implications for the Branch, municipal councils, planning boards and committees of adjustment in Ontario. The principle changes were:

- (1) The power to grant consent to certain transfers of land in areas covered by Subdivision Control By-laws was moved from planning boards to committees of adjustment.
- (2) In situations where a Subdivision Control By-law is in force, but where no committee of adjustment exists, the Minister's consent is required to the transfer of all lands. This does not include those

transfers specifically exempted by Section 26 of The Planning Act.

- (3) Previously no notice or hearing was required as a prerequisite to the planning board's approval of a transfer. The new legislation requires both notice of receipt of the application and a public hearing.
- (4) Under the previous legislation, an appeal from the planning board's decision could be made to the Ontario Municipal Board only by the applicant. The new legislation provides that the decision can be appealed to the Ontario Municipal Board by any interested party, including the Minister of Municipal Affairs.
- (5) The new legislation established that the committee of adjustment could require the applicant to meet a wide variety of conditions prior to granting approval of the application.

In anticipation of these changes the Branch conducted conferences in Toronto, Sudbury, Brockville, London and Port Arthur during March and April. The conferences were designed to provide members of municipal councils, planning boards and committees of adjustment with a knowledge of new legislation and the administrative steps which must be taken to adjust to it. Approximately 600 persons, representing 161 municipalities attended the five conferences. In addition, Branch staff met with 69 committees of adjustment which were established following the proclamation of the new legislation.

To further facilitate understanding of the changes, the Branch prepared a series of 14 circulars and publications relating to the legislation, modified rules of procedure, methods of committee appointment and operation, and various guidelines for committee of adjustment action.

The reaction to these changes was fast and furious, particularly in the period April to July. New committees were formed, rules of procedure were modified, staff was acquired by committees to meet the expected increase in applications, budgets were revised, and existing committees were reinforced.

Significant problems were expected in making the readjustment. As it turned out, there were many problems (and there still are) but the changes were made by municipalities with rapidity, efficiency and a minimum of inconvenience to applicants seeking authority to divide land through the consent process.

In an effort to determine how the legislation was working and to define problems, the Branch held a two-day seminar in December. Twenty persons attended, including members of the legal and planning professions and officers and staff of selected committees of adjustment and planning boards.

Activity	Year					
	1960	1961	1962	1963	1964	1965
1. Number of Committees of Adjustment	67	74	96	104	122	219
2. Decisions of Committees Consents	Not applicable (no power to act)					3,229
3. Decisions of Committees Variances	2,072	2,611	2,808	3,186	3,414	3,932
4. Rules of Procedure Approved by Minister	5	7	22	8	18	219
5. Consents dealt with by Minister - Sec. 26	284	311	363	331	395	1,469

Level of activity was high in 1965 for committees of adjustment and the Branch.

Urban Renewal

With few exceptions, previous annual reports have been limited to a statistical appraisal of the number of conferences and meetings held, redevelopment areas defined, studies commenced, plans made and dollars spent.

This must have been rather disillusioning to those who had secured the impression that urban renewal was one of the vigorous action arms of community planning. However, these studies were necessary groundwork for logical action in modifying our communities to satisfy the demands of the present and the future.

This year has seen the implementation of many of the plans and studies previously described in the form of public housing projects, private apartments, industries, schools and other public buildings and services, and various commercial structures built or being built in various redevelopment areas across the province. The total value of this year's construction activity, not including the cost of public utilities, is estimated at approximately 27.3 million dollars, bringing the total investment since 1958 to 39 million dollars.

Construction activity occurred in Sarnia, Windsor, Ottawa, Toronto and Hamilton. Judging from the number and type of studies, schemes underway, land acquired and/or cleared in 1965, an acceleration of construction within redevelopment areas can be expected in 1966.

Urban renewal in 1965 was not limited to the more dramatic "tearing-down-the-old-and-rebuilding" operations mentioned. Considerable progress was also made in the conservation and rehabilitation aspects of urban renewal.

Three municipalities (Toronto, Windsor and Ottawa), acting under private legislation, continued their programs of maintaining and improving their existing stock of housing. Two other municipalities (Sudbury and London), taking advantage of the new general legislation, amended their official plans as a preliminary to passing maintenance and occupancy by-laws. Several projects, in various stages of implementation in Kingston, Toronto, Hamilton and Kapuskasing, combined both clearance and individual-unit rehabilitation where conditions justified improvement or retention.

Substantial provincial efforts have been directed towards greater use of rehabilitation and conservation techniques rather than complete clearance.

During 1965 the Branch accelerated its program to promote an understanding both of urban renewal as a concept and of the legislation and aids available.

Two conferences were held, one on the broader aspects of urban renewal, the second relating specifically to maintenance and occupancy by-laws. Branch personnel held meetings with 56 municipalities either engaged in programs or contemplating action, and participated in seminars and conferences throughout the province.

A further indication of the rapid growth in municipal activity in the field of urban renewal is given by the following table.

URBAN RENEWAL IN ONTARIO

Action	1959	1960	1961	1962	1963	1964	1965
Meetings	71	85	82	85	107	152	226
Urban Renewal Studies	2	—	1	2	2	3	10
Urban Renewal Schemes						1	8
Urban Renewal Projects	2	1	1	1	—	3	2
Redevelopment Area Designations	3	1	3	1	4	2	3

Our relationship with the Federal partner in urban renewal, Central Mortgage and Housing Corporation, has continued to be excellent.



Before

After



Planning Organization

Some highly significant developments in planning organization took place in 1965 — namely, the definition of three important new joint planning areas. These were the Waterloo County Planning Area, the Brant Planning Area and the Central Ontario Joint Planning Area.

The Waterloo County Planning Area embraces the cities of Galt, Kitchener, and Waterloo and all of the local municipalities in Waterloo County — three towns, four villages, and five townships. The total population in the planning area is about 200,000. Three previously defined joint planning areas will be dissolved as the new joint planning board is staffed and ready to undertake its duties, but subsidiary planning boards are or will be established for every municipality in the joint planning area. The City of Galt and the Township of North Dumfries will continue to operate the Galt and Suburban Planning Board as a subsidiary planning board.

The Waterloo County Area Planning Board has 19 full members — two representing each of the three cities and one representing each of the 12 county municipalities, with the warden of the county automatically being a member. Provision is made for alternate members who have full voting powers when the members they are “shadowing” are absent. The county is the designated municipality. The provincial government has agreed to pay a subsidy of one-quarter of the costs of operating the planning board in each of the first three years of its existence, on an experimental basis. By year’s end, the planning board had engaged a planning director and it expects to complete its staff and commence a broad planning program in 1966.

The formation of the Waterloo County Area Planning Board is important for a number of reasons:

- (1) The area to be included within its jurisdiction was established after a thorough study of its internal linkages and its regional setting — perhaps the most thorough study yet conducted in Ontario as the basis of defining a planning area.
- (2) The Board was established with the unanimous agreement of all of the municipal councils in the planning area — including the county council.
- (3) This is the first planning board to have been offered direct financial assistance in performing its planning functions. The Minister has clearly stated that this is an experiment.

Similarly, the Brant Planning Area includes all of the municipalities lying within the physical limits of Brant county. The municipalities concerned are the county itself, the City of Brantford, the Town of Paris, and five townships. This new planning area, which has a total population of about 80,000, was defined late in 1965. Steps are under way to appoint the planning board early in 1966.

The Central Ontario Joint Planning Area embraces the City of Oshawa, the towns of Bowmanville and Whitby, and the townships of Darlington, East Whitby and Whitby. This planning area, with a total population of 110,000, adjoins the Metropolitan Toronto Planning Area.

The new planning board replaces the Oshawa Regional Planning Association, an unofficial planning organization which has functioned to good purpose for several years.

In addition to these new joint planning areas, three single-independent and five subsidiary planning areas were defined during 1965. The new single-independent planning areas are the townships of Amabel, Monck, and Oneida. The new subsidiary planning areas are the City of Brantford and the townships of Brantford and Onondaga (in the Brant Planning Area), the Town of New Toronto (in the Metropolitan Toronto Planning Area), and the Town of Capreol (in the Nickel Basin Planning Area).

During the year the boundaries of nine existing planning areas were altered. Most of these were minor adjustments, except in the Central Oxford Planning Area, where the Town of Ingersoll, the Village of Norwich, and the Townships of East Nissouri and North Norwich were added to the planning area.

At the end of 1965, there were 396 planning areas defined in Ontario – 82 joint, 158 subsidiary, and 156 single-independent.

Metropolitan Toronto and Region Transportation Study

This study was inaugurated by the Province to determine an overall transportation policy for Metropolitan Toronto and surrounding municipalities.

Three objectives of the study are:

- (1) To devise a co-ordinated network for transporting persons and goods throughout the region by the most effective means possible;
- (2) To define a comprehensive transportation policy for provincial and local action; and
- (3) To recommend a financial and administrative policy for transportation services.

Several staff members of the Branch have served on the Technical Advisory Committee and various subcommittees establishing overall procedure for the study.

In addition the Branch has the task of preparing forecasts of the size, characteristics and location of the population to reside and work within the study area at various points in the future, (1980 and 2000). This information is, of course, imperative in determining the timing, location and type of transportation facility which will be required. This work is being done with the assistance of several consultants, municipalities and planning staff within the area.

Work done by Branch staff during the year included:

- Collection through field survey of detailed information relating to existing land use, population (number and distribution) and employment within the study area
- Preparing composites of official plans and other development policies in force within the municipalities of the Region
- Relating these development policies to economic forecasts of future population and employment prepared by independent consultants
- Projection of existing development policies of municipalities to a common base year, 2000
- Preparation of criteria as a basis for judging the relative merits of different growth forms which could emerge in the Region in the time period under study
- Examination of various works proposed or being considered by government agencies within the Region to determine their impact on the future rate and nature of growth within the study area.
- Study of techniques to be used in measuring the significance of different growth patterns on transportation facilities

Urban and Regional Highway Studies

Over the past several years a special relationship has developed between the Department of Highways and the Department of Municipal Affairs.

The Department of Highways sponsors urban road studies throughout the Province. These prove helpful in assessing physical road requirements and the cost consequences of these road systems.

Essential to this work is the collection and analysis of information on existing and future population, direction and intensity of growth, employment, and other factors influencing road demands. The Community Planning Branch assists the Department in assessing the validity of the background data produced in each road study. During the past year the Branch has reviewed studies conducted in Cornwall, Sudbury, Ottawa, Midland and Wallaceburg.

In addition the Branch has helped prepare similar forecasts in connection with regional highway needs.

Areas studied in 1965 included:

- The Lake Simcoe Area (County of Simcoe and parts of York and Ontario Counties)
- Peterborough Area (Counties of Durham, Victoria, Peterborough, Northumberland and District of Haliburton)
- Belleville-Brockville Area (Counties of Leeds and Lanark and parts of Hastings, Lennox and Addington, Frontenac and Carleton)

Other Studies

In 1964 a request was received from the Chelmsford Blezard Valley Planning Board for the Department to assist in conducting a study of the growth problems in the Planning Area and the area surrounding. This covered an area of approximately 900 square miles containing six towns, nine township municipalities, one Improvement District and 14 unorganized townships.

This Branch, with the concurrence of the municipalities, entered into an agreement with Central Mortgage and Housing Corporation to conduct a reconnaissance study of the area. Purpose of the study was to define problems and suggest an approach to a more intensive study in the future. This preliminary study is now underway.

Two other studies, involving areas containing a number of municipalities, were undertaken in the Dryden and Trenton-Belleville districts.

Shortly after The Planning Act was enacted in the mid '40's, this Branch collaborated with the Department of Health to establish certain minimum size standards for building lots under various conditions of public service availability. Practical experience gained since then has raised questions about the appropriateness of these minimum standards. In 1965 the Branch engaged the services of an acknowledged authority in sanitary sewage treatment to subject the standards to critical reappraisal. The report is expected in 1966.

Minister's Orders

The Minister is empowered under The Planning Act to make orders which have the same general effect as zoning by-laws or by-laws designating areas of subdivision control. These are normally applied in territory without municipal organization – that is, in areas where no municipal councils exist and thus where no agency other than the Minister has the authority to impose regulation over land subdivision and land use. In a few cases, however, orders have been made affecting land in organized municipalities.

The purpose of these orders is to establish at least a minimum degree of regulation over land subdivision and land use in areas where substandard or otherwise undesirable development is in process or in prospect.

The most common situation leading to the making of orders has been the actual or anticipated "urban" development stimulated by new mines or primary industry in Northern Ontario. Naturally, most of this resource development occurs outside organized municipalities, as does the attendant residential settlement.

The following table indicates the orders made under The Planning Act's authority in 1965.

<i>Date made</i>	<i>Name</i>	<i>Area Included</i>	<i>Type</i>	<i>Remarks</i>
Jan. 20/65	Timagami area	7 municipalities 89 unorg. twps.	Subdivision Control	
Jan. 27/65	Booth Township	Booth Township (U)	Subdivision Control	
Aug. 26/65	Kapuskasing	Kapuskasing (pt.)	Zoning	Replaces order made on Oct. 28/64
Nov. 18/65	Kapuskasing- Hearst area	13 unorg. twps.	Subdivision Control	

Plans of Subdivision

Where land anywhere in Ontario is to be subdivided by registered plan of subdivision, rather than by some other method, the plan requires the approval of the Minister of Municipal Affairs.

All applications for approval are examined by the Community Planning Branch on technical planning grounds and are referred to planning boards, municipal councils, and appropriate federal and provincial government agencies for review and comment. This process culminates in a recommendation to the Minister for approval of the plan — usually subject to conditions — or for disapproval.

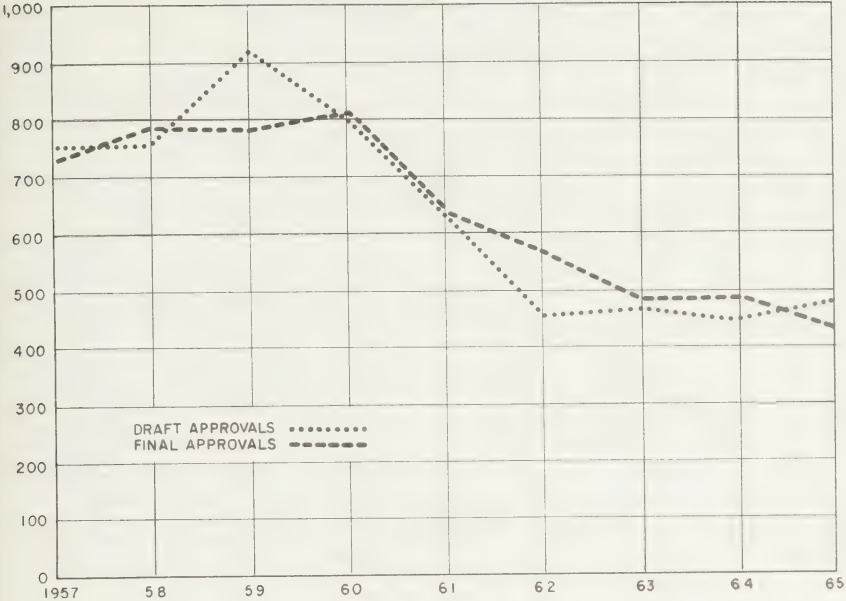
Basic considerations in these decisions are: The suitability of the plan in terms of location, timing, and design; ensuring that adequate standards of essential services will be maintained; and protecting the financial position of the municipality from undue strains.

Approvals are given in two stages: (1) Approval of the draft plan, when the conditions are made known and (2) approval of the final plan, when the conditions have been satisfied and the subdivision staked on the ground.

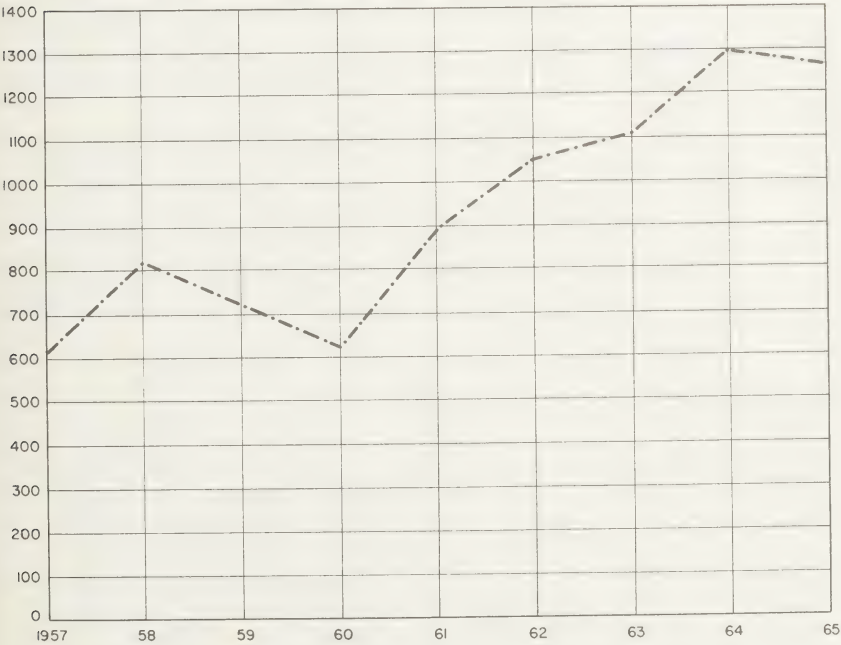
The accompanying graph shows for the period 1957-65 the number of draft approvals, and the number of final approvals for each year. It does not reflect the increasing complexity of the subdivision-approval process resulting from trends towards more sophisticated design, greater municipal attention to installation of adequate services, and new developments in community structure and land-use regulation.

It should be noted that the graph does not include figures for plans submitted which were not recommended for approval (26 in 1965 and 58 in 1964). Nor does it show the draft approvals given in previous years which were subsequently withdrawn by the Minister (81 in 1965 and 39 in 1964).

APPROVALS OF PLANS OF SUBDIVISION 1957 - 1965



NUMBER OF ZONING BY-LAWS, AMENDMENTS AND APPEALS REVIEWED BY COMMUNITY PLANNING BRANCH 1957 - 65



Zoning

Zoning by-laws regulate the use of land and the erection and use of buildings in the interests of fostering an appropriate pattern of compatible land uses in the community and preventing various kinds of sub-standard development from occurring. Ideally, zoning by-laws should be based on a sound, comprehensive official plan.

All zoning by-laws, including amendments, require the approval of the Municipal Board. The Community Planning Branch reviews all zoning by-laws and amendments submitted to the Board for approval, to see that they observe accepted principles of good planning and conform with the local official plan, where one is in force. The Branch's comments are sent to the municipalities concerned as well as to the Municipal Board.

The graph on page 11 indicates the total number of by-laws and amendments reviewed by the Branch during the period 1957-65. This includes appeals to the Municipal Board by individuals against the refusal of municipal councils to amend zoning by-laws.

The Branch also reviews, upon request of the municipality, by-laws which have been drafted but not yet enacted by municipal council.

Official Plans

Official plans are the principal instruments for guiding the future development and redevelopment of Ontario communities. They are prepared and recommended by planning boards. If adopted by the relevant municipal councils and approved by the Minister of Municipal Affairs, they become *official plans*.

The Community Planning Branch reviews all applications for approval of new plans and of changes in existing official plans. Each application is tested against accepted planning principles and with regard to the interests of neighbouring communities, provincial and federal government agencies.

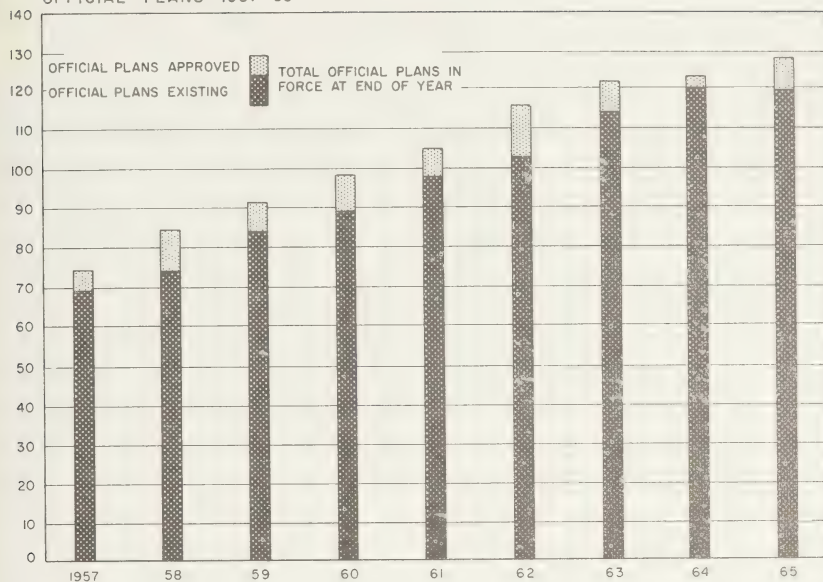
The accompanying two-bar charts indicate the number of official plans in force at the beginning of each year since 1957, the number of new official plans approved, and the number of amendments submitted for approval.

Conferences and Meetings

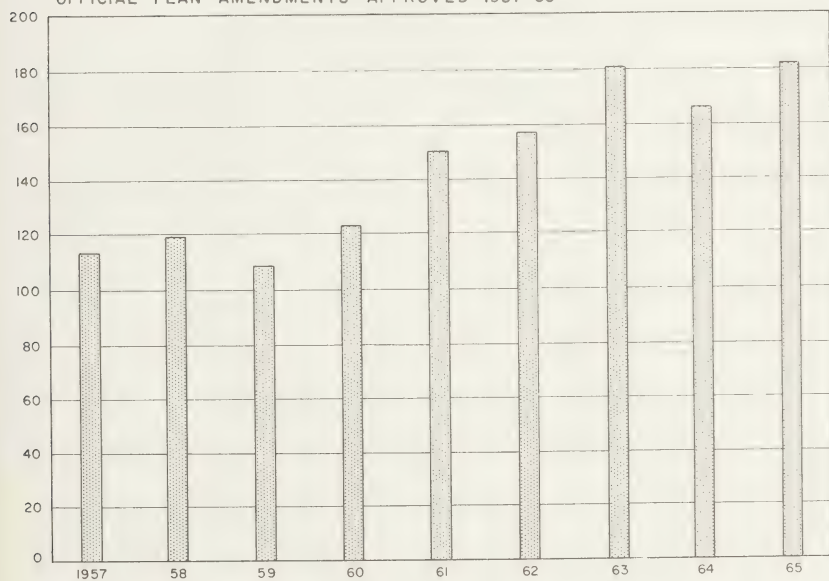
During the year the Branch conducted eight conferences, acted as co-sponsor of another with Central Mortgage and Housing Corporation and the Ontario Housing Corporation in Sault Ste. Marie, and participated with other Department Branches in five municipal affairs workshops.

Staff presented lectures and papers, and acted as panel members at conferences sponsored by other Departments, professional associations, development agencies and citizen organizations.

OFFICIAL PLANS 1957-65



OFFICIAL PLAN AMENDMENTS APPROVED 1957-65



It was our pleasure in 1965 to act as the host for the second joint meeting of the American Society of Planning Officials and the Community Planning Association of Canada, in Toronto. The first such joint meeting took place in Montreal in 1955. The conference was attended by well over 2,000 delegates and, according to many persons, was one of the most successful planning conferences held to date. The success was not accidental. It resulted from exceptionally sound background work done by staff of the Community Planning Association of Canada, Toronto – the host city, and many other persons from the Toronto area.

Meetings with municipalities to discuss urban renewal increased 50% over the previous year. Similar increases are evident in other aspects of Branch work. For example, the number of meetings on official plan and zoning matters rose from 330 in 1964 to 507 in 1965. Trips to the field to examine proposed subdivisions and to discuss subdivision control increased to 100 during 1965.





ORGANIZATION AND ADMINISTRATION BRANCH

General Responsibilities

- Provision of assistance and advice to municipalities
- Examination into problems of municipal organization
- Administrative duties with respect to improvement districts and those municipalities placed under the Department's full or partial supervision
- Administration of The Assessment Act regulations concerning mining revenue payments to mining municipalities
- Administration of the tax arrears procedure under The Department of Municipal Affairs Act
- Approval of certain types of municipal by-laws

The duties of the Branch are carried out under two main divisions — Municipal Organization, and Municipal Administration.

MUNICIPAL ORGANIZATION SECTION

Functions of this section, which is the research and resource arm of the Branch, include continuing study, report and recommendation in regard to:

- The incorporation of new and the reorganization of existing municipalities and local boards
- Changes in status and boundaries of municipalities
- The composition, procedures and functions of municipal councils
- Municipal elections
- Municipal administrative forms and procedures

During the year the Section participated in studies related to specific areas or municipalities, which included the following:

- (1) The Town of Grimsby and the Township of North Grimsby – amalgamation-annexation study;
- (2) The Townships of Hanmer and Capreol – annexation;
- (3) The Township of King and the Police Village of King City – review of existing structure – adoption of ward system with consequent dissolution of police villages;
- (4) Hill Island – municipal boundaries and annexation;
- (5) The Police Village of Angus – incorporation as a village;
- (6) Moosonee – proposals for local government structure;
- (7) Timagami – possible municipal incorporation and the effects on the area of increasing mining operations.

Detailed consideration was given to county council composition since the need for providing alternatives to the existing statutory basis had become increasingly apparent. Following an appraisal of available alternatives, a system was finally devised, based upon approved criteria. Discussions on the merits of the proposals were held with a special committee of the Association of Ontario Counties. Recommendations for legislation were drafted and are undergoing further consideration.

The Section continued its program under The Municipal Quieting Orders Act, designed to assist municipalities in the confirmation of their boundaries, legal status and dates of incorporation. Boundary descriptions have now been completed for all the townships in the counties east of Ontario County. Section officers visited the municipalities in the counties of Carleton, Stormont, Dundas and Glengarry, and Prescott and Russell to review the assembled material with local officials.

Applications for Ontario Municipal Board Quieting Orders were received and processed. Processing includes assembling pertinent and supporting documentary evidence and forwarding it, along with the municipal application and authorizing by-law, to the Ontario Municipal Board.

In 1964 the Department's handbook on provincial grants and subsidies was revised and distributed to all Ontario municipalities. Entitled "Provincial Assistance to Municipalities, Boards and Commissions", this book contains a brief description of the grants and subsidies administered by the various government departments and agencies. In order to maintain the book's currency and dependability, a continuing review is intended. Work was carried out on the review during the year. It is expected that revised material will be available for distribution early in 1966.

In connection with municipal area studies commissioned by the Province, the Section undertook the assembling of statistical and other informa-

tion for two of the areas under study – the Peel-Halton Local Government Review and the Niagara Region Local Government Review.

This information included figures on population, revenues, expenditures, long-term debt and school costs related to each municipality in the particular area. In the case of the Peel-Halton Local Government Review, arrangements were made for the production and distribution of the assembled data.

The services of an officer of the Section were loaned to the Goldenberg Commission on Metropolitan Toronto for several months during the early part of the year.

The Section assisted in the instruction of Commonwealth and foreign students regarding Ontario's system of local government.

MUNICIPAL ADMINISTRATION SECTION

This Section is responsible for providing administrative guidance and assistance to municipalities. The service falls within three main categories:

- (1) Supervision of the operation of improvement districts;
- (2) Examination and approval of the annual revenue and expenditure estimates and of certain by-laws and documents of designated mining municipalities and other municipalities;
- (3) Provision, upon request, of advice and assistance to municipalities and their boards and commissions, and the promotion of administrative standards and procedures, with emphasis on field work.

In addition general advice on municipal operation is given, on request, to individual ratepayers, ratepayers' groups, service clubs, and the general public.

Improvement Districts

Of the present 18 improvement districts, all but one are situated in areas which are largely lacking in municipal organization. Although an improvement district is utilized as a transitory form of municipal organization, it is not mandatory that it be adopted as the initial stage of local government development. The need usually occurs where unique circumstances are in evidence. An example of this might be the sudden influx of population into a sparsely inhabited area, due to intensified industrial activity, thus

necessitating the urgent provision of municipal services and administration.

All corporate acts of an improvement district are, by statute, subject to the approval of the Department of Municipal Affairs. Depending upon the area of the Province in which an improvement district is situated, statutory approvals (e.g., by-laws and annual budgets) are obtained through the regional or head office. Many of the annual budgets are approved during field trips made by the administrative officers. All 1965 improvement district budgets were approved.

Close co-operation was continued during the year with the Improvement District of Elliot Lake. At the end of September 1965, the population of this uranium centre had dropped to 6,639, a decrease of 2,381 from the 1964 figure of 9,020. During the year the Province provided, by interest-free loan, a further \$400,000 for tax rate stabilization. Outstanding debentured debt of the improvement district at the end of 1965 totalled \$9,739,100, of which \$9,529,700 is repayable to the Ontario Municipal Improvement Corporation or to the Province.

In October, in response to the Minister's direction, the Board of Trustees of the Improvement District of Elliot Lake applied to the Ontario Municipal Board for incorporation as a township. The Board held its hearing at Elliott Lake during November and a decision granting the application has been handed down. The Board's Order in the matter was pending at the end of 1965.

Designated Mining Municipalities

Some communities may be designated by the Minister as Mining Municipalities, thus becoming entitled to certain mining revenue payments from the Province. Where a municipality receives a payment in any year under the regulations, it cannot assess and tax the profits of any mine or mineral work in that year and it must obtain the approval of the Department for certain municipal actions and procedures, primarily the adoption of the annual estimates of the municipality and of its local boards.

The mining revenue payments, calculated annually by the Branch, are based on such factors as mines profits assessment, real property assessment, the number of mining employees living in or working in the municipality and the amount required to be raised by the municipality through taxation.

Examination and approval of the annual budgets provide the opportunity for administrative officers to discuss content, budgeting procedures, levy and taxation methods, financial administration and contingent matters with the municipal officials and, at times, the council. As a result, changes of benefit to the municipality can be suggested.

The payments in 1965 to the 60 mining municipalities designated in the regulations totalled \$5,808,000.

Special Projects

In granting approval to the incurrence of municipal debt, the Ontario Municipal Board has, in certain instances, stipulated in its order that the Department of Municipal Affairs must approve the estimates of the municipality during the lifetime of a particular issue of debentures. At present, nine municipalities are subject to this requirement.

At the request of the Department of Education, the Branch has supplied assistance in the administration of Public School Section No. 1, Niobe Lake and Public School Section No. 1, Slaght and Factor, both in the District of Thunder Bay. The Regional Supervisor, Municipal Administration, is also carrying out the duties of secretary-treasurer for these Sections. He reports to both the Department of Education and the Department of Municipal Affairs.

Tax Arrears Procedures

In a situation where arrears of taxes have been allowed to accumulate, the economic well-being of the community may be threatened. Municipalities are accordingly provided with powers to enforce tax collection.

In accordance with the Department of Municipal Affairs Act, the Minister may order that the tax sale procedures of various Acts shall cease to apply in a municipality and that the tax arrears procedures shall apply instead.

Both systems utilize the sale of lands as the means of recovering tax arrears. Differences lie in the procedures followed and in the role of the Department.

Under the tax sale procedure, the county treasurer (under warrant of the county warden), or the treasurer of a municipality, having the power to sell lands for arrears of taxes, posts lists of lands where taxes are three years in arrears. The notice indicates the time and place for the proposed sale. Subsequently, a certificate of sale is given to the purchaser. After one year, during which time the registered owner or any encumbrancer has the right to redeem the property, the purchaser receives a tax deed.

In the case of the tax arrears procedure of The Department of Municipal Affairs Act, all documents must be approved by the Department. Where taxes on vacant land are in arrears for two years, (on improved land, three years), the land becomes the property of the municipality upon the registration of a tax arrears certificate. This situation remains unless the certificate is "vacated" by the municipality (due to some error in registration) or is redeemed within one year by the previous owner or any other person having such right, or until sold.

A change from the "tax sale" to the "tax arrears" procedure usually results from application to the Minister by an individual municipality or by a county council on behalf of the municipalities within its boundaries.

During 1965 Minister's Orders were made in respect to the City of Waterloo and the Town of Renfrew.

The number of approvals given through the regional and main offices for 1965 totalled 4,689.

By-Law Approval

The Department's approval is required by statute to certain functions of municipalities; the following come under this Branch:

- Disposition under certain circumstances of land acquired for industrial sites
- Fixing of certain licence fees for hawkers and peddlers
- Use of reserve funds for any purpose other than that for which the fund was established
- Destruction of municipal records
- Assessment of telephone and telegraph companies by a township on the basis of gross receipts rather than on miles of wires and circuits

Assistance and Advice

The Branch continued to improve upon its field advisory service which is carried out by both regional and head office personnel. This constitutes a comprehensive program of visits by municipal administration officers to municipalities throughout the province to provide advice and assistance where needed.

Such assistance and advice covers:

- Preparation of the annual budget
- Tax levying procedures including the preparation of the collector's rolls, the preparation and issuance of the tax demands, the imposition of penalties and interest, and the methods of recovery of tax arrears
- Procedures for making application to the Ontario Municipal Improvement Corporation for purchase of debentures, the calculation of debenture repayment schedules and the preparation of the requisite documents including by-laws
- Composition of the council, board of control, local boards and committees
- Conduct and procedures for meetings of the council, board of control and local boards, including the procedures necessary to adopt resolutions and by-laws
- Filling vacancies on council, board of control and local boards

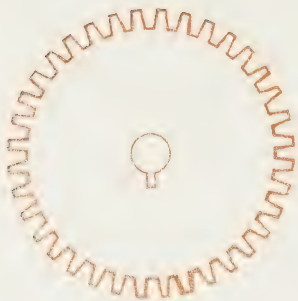
- Election procedures
- Preparation of resolutions and by-laws
- Provincial assistance to municipalities, including grants administered by the Department

In addition, instructional seminars were held in the Districts of Parry Sound, Nipissing and Temiskaming on such subjects as municipal budgeting, the levying of taxes, preparation of voters' lists, and council procedures.

Workshops and Conventions

Branch officers took part in several municipal workshops arranged by the Department during the year. They also represented the Department at a number of municipal association conventions.





MUNICIPAL ACCOUNTING BRANCH

General Responsibilities

- To conduct studies and research into the development of the municipal accounting principles and practices in Ontario
- To assume responsibility for projects which arise out of the financial operations of municipalities and local boards
- To make available to municipal treasurers and auditors advice and assistance concerning day-to-day problems in municipal accounting, reporting, auditing, budgeting and finance
- To review the annual financial statements of the 977 municipalities of the Province and their local boards, and to discuss the statements with local officials
- To licence municipal auditors and promote the use of accepted municipal auditing standards and techniques

RESEARCH

Revision of Financial Forms

In 1965 the Branch commenced a complete review of the form of the annual financial statements and the supporting schedules of the municipalities and local boards.

The Branch is examining the principles and procedures associated with their preparation and revising their form and content.

The purpose of this review is to develop financial statements which will:

- Provide uniformity in the financial information reported by Ontario municipalities
- Give effect to the great variety in the organizational structures of municipalities and local boards

- Reflect current accepted municipal accounting terminology
- Raise the reporting standards of municipalities

It is hoped this will encourage in local ratepayers a greater interest and understanding of the affairs of the municipalities.

The purpose of the research and analysis was twofold:

- (1) To review and revise the classification of accounts presently recommended by the Department, the form and content of the financial statements and the schedules supporting these statements;
- (2) To establish a reporting procedure which will enable all municipalities in the Province to report on a common and consistent basis.

Branch officers were anxious to obtain the guidance of the auditors who prepare the financial statements of the vast majority of municipalities. At the request of the Minister, the Institute of Chartered Accountants of Ontario appointed a Committee to advise the Branch on this and related matters.

The Branch also wished to take advantage of the knowledge and experience of the municipal treasurers and clerk-treasurers. For this purpose, the Minister requested the Association of Municipal Clerks and Treasurers of Ontario to appoint a committee to advise the Branch.

With the assistance of these two committees, it is felt that the revised annual financial statements of the municipalities will meet the needs of the officers who prepare them and the individuals and organizations using them.

Bookkeeping Methods and Procedures

During 1965 a study was completed on certain bookkeeping methods and procedures in the municipalities, with particular reference to the preparation of the estimates and the billing and collection of taxes.

A questionnaire revealed that considerable lapse of time exists between the adoption of the estimates and the due date of taxes. In the case of the 658 municipalities with a population of less than 3,000, May was most frequently the month in which the estimates were adopted, but the most common month in which the taxes fell due was December – a lapse of seven months.

A complete analysis of the results of the questionnaire was mailed to every municipality and auditor during the year. In his address to the annual convention of the Ontario Municipal Association in August 1965, the Minister discussed the analysis at length.

Legislation

Through constant exposure to the accounting and reporting problems of municipalities, Branch officers are made aware of areas in which amend-

ments to existing legislation would assist in the administration of the municipalities.

Other departments which are responsible for the administration of legislation affecting accounting, reporting and the financial affairs of municipalities, frequently consult the Branch about recommendations for proposed legislation.

Advisory Services

Experienced municipal accounting advisors are made available to municipal treasurers and auditors for advice and assistance in municipal accounting, reporting, auditing, budgeting and finance. Over 130 municipalities and 20 municipal auditors were visited during 1965.

The most frequent problems faced by municipal treasurers and auditors arise from:

- The calculation of a wide variety of complex mill rates
- The financial inter-relationships between the municipality and its local boards, particularly school boards
- The determination of the principles to be used in apportioning the cost of joint municipal projects
- The apportionment of the cost of municipal services between a police village and a township
- The establishment of adequate reserves and procedures for adopting estimates, and the billing and collecting of taxes
- The appraisal of the financial effects of proposed annexations, amalgamations and incorporations

In order to make the advisory services readily available across the Province, two chartered accountants, experienced in municipal accounting, have been stationed in the Department's regional offices in Port Arthur and Sudbury.

Review of Annual Statements

Every municipality in the Province files with the Department a copy of the financial statements of the municipality, its local boards, and the auditor's report. Financial statements and auditors' reports are reviewed to:

- (1) Ensure that the statements were prepared on the basis prescribed by the Department to promote comparability and uniformity, and to facilitate inter-municipal comparisons;
- (2) Perform a limited review of the financial position of the municipality;
- (3) Ensure, as far as possible, that the provisions of the statutes have been complied with;
- (4) Ascertain if the municipality could benefit from the advisory services of the Branch.

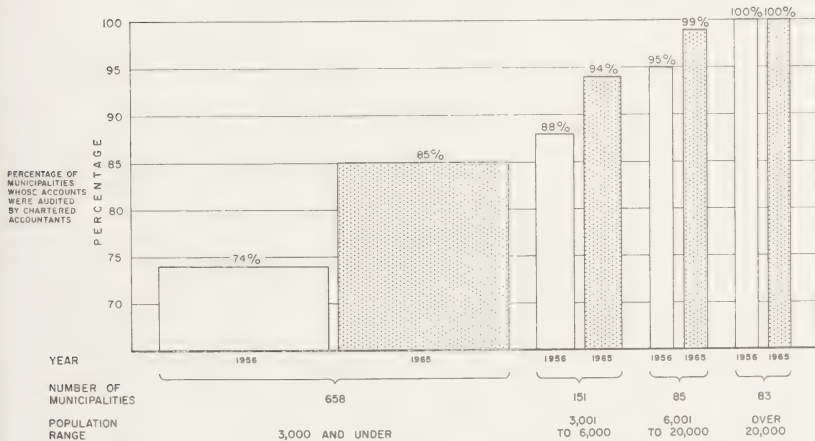
MUNICIPAL AUDITING

The Branch is responsible for administering those sections of the statutes which provide for the audit of the accounts of every municipality and local board. To carry out this responsibility the Branch:

- Prescribes, with the assistance of the Institute of Chartered Accountants of Ontario, a minimum standard of audit procedures for municipalities and local boards
- Administers a system of licensing municipal auditors
- Ensures that the financial statements of municipalities and local boards have been properly prepared, and audited

The following chart shows the increase in the percentage of municipalities whose accounts were audited by chartered accountants in 1965 as compared with 1956.

PERCENTAGE OF MUNICIPALITIES WHOSE ACCOUNTS WERE AUDITED BY CHARTERED ACCOUNTANTS FOR THE YEARS 1956 AND 1965



SERVICES TO OTHERS

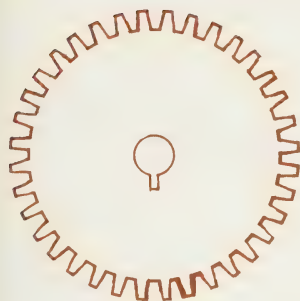
Staff services were made available to the Municipal Subsidies Branch to assist in the administration and verification of the Winter Works Incentive, Urban Renewal, Municipal Works Assistance and Centennial Grants Programs.

During the year the Ontario Municipal Board requested that the Branch undertake a study of the financial implications of certain proposals for annexation, amalgamation and incorporation for the information of the Board in considering these proposals.

The Branch maintains close liaison with other government departments concerning municipal accounting and reporting problems which arise from the preparation and submission of subsidy claims.

Discussions were held with the Departments of Education, Public Welfare and Reform Institutions, regarding the following recommendations for proposed legislation:

- The preparation and adoption of the annual estimates of public and high school boards and the authority of these boards to meet expenditures on permanent improvements out of current funds
- The introduction of significant changes in the principles of apportioning costs and reporting expenditures of Children's Aid Societies
- The financial and reporting implications resulting from a proposal to authorize counties and certain cities to set up joint boards for providing and maintaining regional detention centres



MUNICIPAL FINANCE BRANCH

General Responsibilities

- (1) To advise all Departments and agencies of the Province concerning municipal finance by analyzing:
 - The financial position of the municipalities collectively, by class, and individually
 - The expenditures of the municipalities, with reference to the past, present and future
 - The principles upon which the cost of discharging their responsibilities is shared between the municipal, provincial and federal governments
 - The effectiveness of the municipal revenue base in distributing the municipal share of such costs among the users of the municipal services
 - The financial implications of the recommendations contained in the reports of commissioners and others;
- (2) To keep apprised of new knowledge connected with all aspects of municipal finance;
- (3) To effect improvements in municipal financial administration by providing advice and assistance to municipal officials;
- (4) To ensure the development and growth of the Ontario Municipal Employees Retirement System (OMERS) and to administer those sections of the statutes which authorize a municipality or local board to provide pensions for employees;
- (5) To collect, analyze and publish municipal financial information as a service to the public, governments and financial institutions.

Due to the complexity of local finance, the lack of definite solutions to many problems, and the need for solutions which will be acceptable to

persons or groups with conflicting interests, many of the Branch programs extend over a long period. In 1965 progress was delayed somewhat by the difficulty of recruiting and training new staff.

Assistance to Municipalities

During 1965 the Branch rendered assistance and advice to municipalities in the solution of a variety of financial problems.

Assistance included:

- The preparation and administration of capital works programs and capital budgets
- Determining the financial implications of providing certain services and analyzing the capacity of municipalities to finance the cost
- Identifying the problems and finding solutions concerning charges to abutting owners for certain services

Assistance to Other Agencies

Branch staff provided advice to the Ontario Water Resources Commission concerning the ability of certain municipalities to finance the cost of water or sewage facilities.

The Branch assisted in administering the Municipal Works Assistance Program, considered certain applications for assistance, and helped verify expenditures. The financial position of 44 separate school boards, seeking to borrow from the Province to finance the capital cost of new schools, was also analyzed.

The Branch considered the financial implications of applications for the issue of debentures to finance the cost of capital projects. Pertinent information was provided to the Ontario Municipal Board.

In conjunction with other Branches of the Department, a series of discussions was held with the officers of the Association of Municipal Clerks and Treasurers of Ontario.

It was agreed that the Department would make its services available in connection with the Association's program of education.

It is hoped that this will improve the quality of, and increase the interest in the Training Course offered by the Association under the auspices of Queen's University at Kingston. This course is open to Ontario municipal clerks and treasurers, their staffs, the staff of the Department, and others interested in local government.

The Department will also extend financial assistance to the Association for the revision and expansion of the course of study, and will reim-

burse 60% of the fees paid by successful students who are fulltime employees of a municipality.

The Association and the Department have a mutual interest in the development of well-trained, effective clerks and treasurers. It is hoped this will result in an increasing interest in the education program for local government officers. The program has already provided instruction to more than 800 persons.

Research in Finance Problems

In 1965 the Finance Branch commenced intensive studies into certain aspects of the many problems connected with municipal finance. These included:

- The implications of financing the cost of municipal services by borrowing
- The nature, amount and significance of the moneys transferred by the Province to the municipalities, with particular reference to the subsidies administered within the Department
- The possible financial effects of transferring responsibility for certain functions from municipalities to the Province, or vice versa
- The identification and examination of the nature of the financial relationships which exist between the municipality and certain of its local boards
- The financial effects of an annexation or amalgamation on the municipalities concerned

During the year a series of financial studies was undertaken in connection with the Report of the Royal Commission on Metropolitan Toronto. Information was furnished concerning the effects (on Metropolitan Toronto and each of the 13 area municipalities) of such proposals as: The amalgamation of certain alternative groups of municipalities; the transfer of certain responsibilities from the area municipalities to Metropolitan Toronto, and various other financial recommendations made by the Commissioner.

Pensions for Municipal Employees

Municipalities and local boards are authorized by legislation to establish, amend or discontinue pension plans or funds for their employees. The Finance Branch administers this legislation and recommends for approval, or otherwise, proposed amendments to these plans or funds.

Branch officers were involved, during 1965, with three main areas of municipal pension activity:

- (1) The continued growth and development of the Ontario Municipal Employees Retirement System;
- (2) The development of proposed pension policies and the approval of proposed amendments, under section 248c of The Municipal Act;
- (3) The development of proposed policies following the introduction of the Canada Pension Plan.

Development of OMERS

The OMERS Act and regulations require that, if pensions are to be provided to newly-appointed employees of a municipality or local board after July 1, 1965, they shall be secured from OMERS.

As a result, officers of OMERS or Branch staff visited every municipality which had an approved pension plan, but had not elected to participate in OMERS. They discussed with elected and appointed officials the terms and conditions of The OMERS Act and Regulations.

In addition, detailed reports were prepared, with the advice of the consulting actuaries of the System, to assist the municipal officials. These were designed to compare, in layman's language, the benefits of the existing pension plans with those of OMERS, and to indicate the financial and other advantages of participation in OMERS. Brochures were also prepared for distribution to employees.

In co-operation with the consulting actuaries, the General Municipal Counsel and the officers of the System, Branch officers completed a number of amendments and a major revision of the Regulations under The OMERS Act for recommendation to the Minister.

At the last session of the Legislature The OMERS Act was amended to permit the local electric and other utility commissions of the municipalities to participate in OMERS. With the assistance of the Hydro-Electric Power Commission and the General Municipal Counsel, a draft regulation under The OMERS Act was prepared. This gave effect to the amendment and set in motion a program which provided information to local commissions and their employees concerning the relative terms of OMERS and the Municipal Hydro-Electric Pension Plan.

During 1965 the Branch undertook an intensive study into several aspects of Section 248c of The Municipal Act, which covers the consolidation and termination of municipal pensions. This was made necessary

by the wide acceptance of OMERS by municipalities, local boards and their employees, and by the amendments to The Pension Benefits Act and the introduction of the Canada Pension Plan.

Canada Pension Plan

With the assistance of consulting actuaries, a report was prepared concerning the effect on OMERS of the Canada Pension Plan.

The Branch also prepared an amendment to the Regulations under The OMERS Act to give effect to the Government's announced policy of integrating existing municipal pension plans with the Canada Pension Plan, and issued information bulletins to the municipalities.

Fringe Benefits

Interest has increased in the fringe benefits which municipalities and local boards may make available to employees. As a result, an extensive study was commenced in 1965 into the nature and significance of retirement allowances, sick leave credit gratuities, group life insurance, hospital insurance, and medical, surgical, accident and sickness insurance.

Reports and Information

The Branch prepared and published financial information relating to municipalities generally. In addition, the Section supplied financial information relating to specific municipalities or particular municipal problems. This was made available to government departments and agencies, municipalities, organizations and individuals.

Municipal Statistics

The Branch prepared the Annual Report of Municipal Statistics for 1964 from the audited financial statements of the municipalities.

The Report contains comprehensive financial data for 1964 concerning each of the 978 municipalities in Ontario, with certain comparisons and trends. This book is the major source of information relating to the finances of municipalities.

The Report shows that significant trends have taken place during the eleven year period 1954 to 1964, particularly regarding population, assessment, municipal taxation, provincial subsidies, tax collections and debt.

Revision of Report

In order to make the fullest practicable use of the information to be contained in the forthcoming revised financial statements of municipalities, it is desirable to undertake a complete review and major revision of the Annual Report of Municipal Statistics. This will also ensure that the content and presentation of the Report are as comprehensive and meaningful as possible.

Research into the content was commenced in 1965. An analysis is being prepared of the diverse requirements of the municipalities, the Departments and agencies of Ontario and Canada, the financial institutions, and other organizations and individuals interested in municipal financial information.

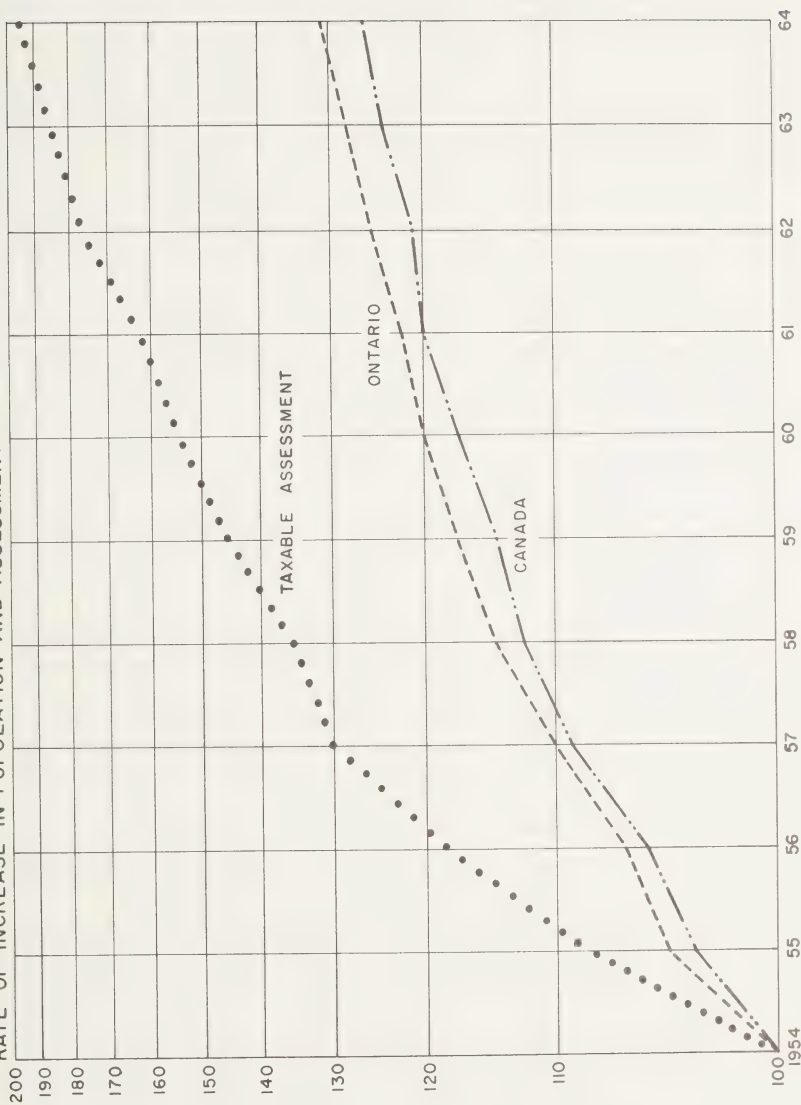
POPULATION AND ASSESSMENT

	1954	1959	1964
	'000	'000	'000
Assessed population	4,842	5,682	6,342
Index of change (1954 = 100)	100	117	131
Taxable assessment	\$'000	\$'000	\$'000
Amount	6,099,162	8,847,190	11,866,814
Index of change (1954 = 100)	100	145	195

In Ontario the population has experienced a rate of growth significantly higher than the Canadian average. The taxable assessment increased at a greater rate than did the population and, on a per capita basis, rose by 48.5% from \$1,260 in 1954 to \$1,871 in 1964.

The following graph illustrates the relative growth of population in Ontario and in Canada, and the growth of taxable assessment in Ontario for the period 1954 to 1964 on a scale that reveals the rate of increase in each year based on the preceding year.

RATE OF INCREASE IN POPULATION AND ASSESSMENT



MUNICIPAL TAXATION AND PROVINCIAL SUBSIDIES

	1954	1959	1964
	\$'000	\$'000	\$'000
Total Municipal Taxation			
Amount	306,028	525,321	805,237
Index of change (1954 = 100)	100	172	263
Provincial Subsidies			
Amount	160,636	300,022	516,000*
Index of change (1954 = 100)	100	187	321

*Estimated

The accompanying graph brings together, in constant (1949) dollars per capita, the trends in the taxation and subsidies on a scale that reveals the rate of increase in each year based on the preceding year. It is to be noted that the rates of growth during the period 1959 to 1964 have been less sharp than during the previous five years.

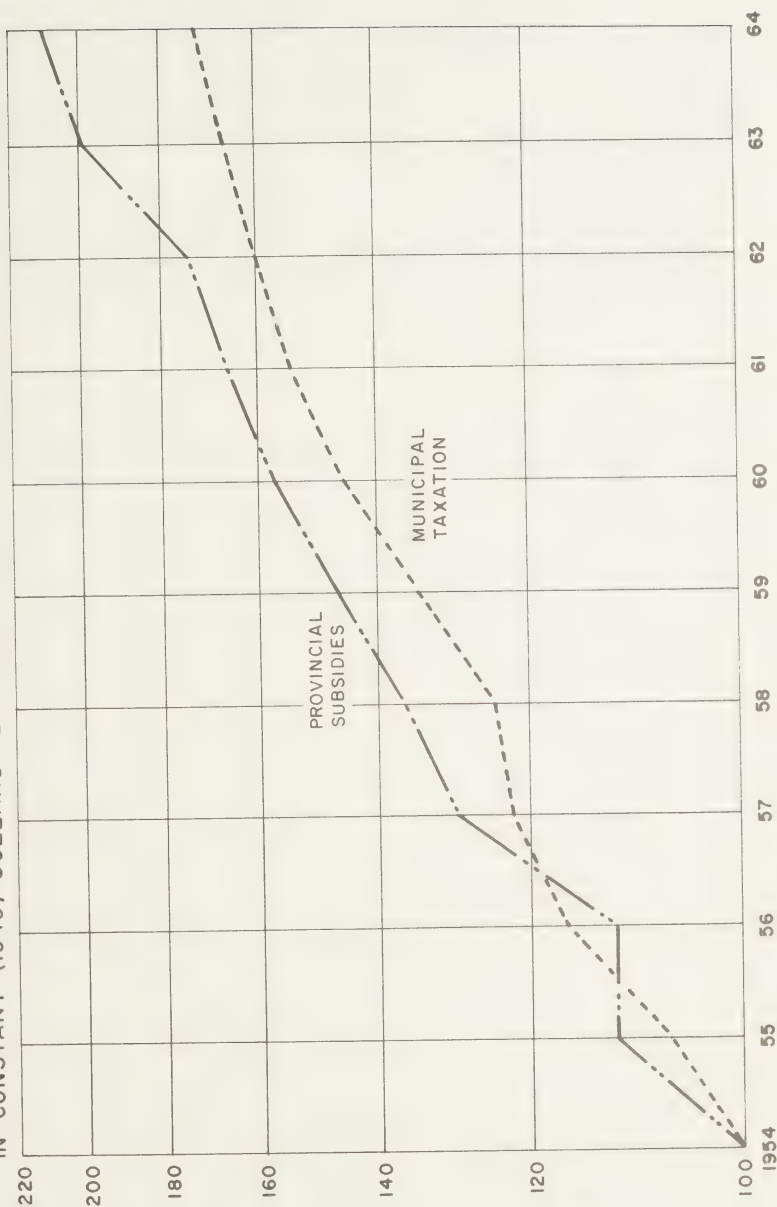
Municipal Levies

The Report shows that the increase in total municipal taxation has not been uniform among its major components – the levies for municipal purposes including local improvements and the three divisions of education (public, separate and secondary).

The following table, which sets out the percentage composition of the total municipal taxation, reveals the effects of the pressure exerted during the past ten years by the growing costs of secondary education.

	<i>Percentage of the Tax Levy</i>		
	1954	1959	1964
Education			
Public	25.4%	26.4%	23.3%
Separate	3.0	3.5	3.2
Secondary	11.4	14.3	18.8
Total Education	39.8	44.2	45.3
Municipal			
General	57.5	53.0	52.2
Special charges	2.7	2.8	2.5
Total Municipal	60.2	55.8	54.7
	100.0	100.0	100.0

RATE OF INCREASE IN MUNICIPAL TAXATION AND PROVINCIAL SUBSIDIES
IN CONSTANT (1949) DOLLARS PER CAPITA



Tax Arrears and Collections

Information in the Report relating to municipal tax arrears and collections indicates that there has been no significant change in their condition between 1954 and 1964. The average percentage of the current taxes remaining uncollected at the end of 1964, in the various classes of municipality, was: Metropolitan Toronto area 5.7% ; cities 5.2% ; towns and villages 8.5% ; and townships 16.6% .

Averages can be misleading, however. Some of the smaller municipalities had uncollected current taxes at the end of the year in excess of 30% of the current tax roll. Department officials believe that these municipalities might benefit from reconsidering their policies concerning the timing of the levy and the collection of taxes.

Debenture Debt

The Report shows the trend in the gross debenture debt of the municipalities from 1954 to 1964. The following table shows the trend over a longer period.

GROSS DEBENTURE DEBT

<i>Year</i>	<i>Amount in</i>	<i>Constant (1949 Dollars)</i>	
	<i>Current Dollars</i>	<i>Amount</i>	<i>Per capita</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$</i>
1932	504,756	818,081	253.54
1942	305,420	418,957	118.18
1952	495,805	403,422	89.85
1962	1,700,228	1,300,863	215.12
1964	1,985,056	1,466,068	231.15

The Return of Officers

In 1963 the Branch began a systematic review of the annual return to the Department. As part of this program a review was made in 1965 of the Return of Officers Part I and Part II. As a result, these two returns will

be replaced in 1966 by a single return entitled Return of Elected and Appointed Officers. In addition to several deletions, the changes include:

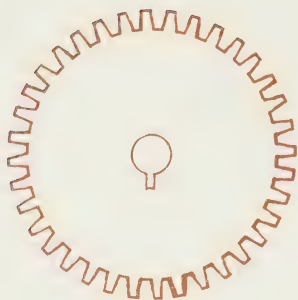
- A schedule designed to provide for the title and certain particulars concerning principal officers only
- A more flexible and simplified schedule concerning council membership
- Simplification of information on voters and votes cast in municipal elections
- Omission of detailed information concerning committee members of councils and local boards, certain classes of municipal employees, and matters relating to poll taxes

The Municipal Directory

Certain revisions were also made in the 1965 edition of The Municipal Directory.

A comprehensive listing of changes in the status of municipalities was introduced. This included all incorporations, erections, dissolutions, amalgamations and annexations from January 1, 1964 to January 1, 1965.

In answer to a number of requests, the assessed population of each municipality was once again shown in the Index to Local Municipalities.



MUNICIPAL SUBSIDIES BRANCH

General responsibilities

The Branch administers most of the loan, shared-cost and subsidy programs for which the Department is responsible by:

- Maintaining a thorough knowledge of those Acts and Regulations which authorize the payment of the subsidies and, where necessary, recommending amendments
- Keeping abreast of the related administrative and accounting practices of the municipalities and the Province
- Developing the policies and procedures used to administer the subsidy programs and preparing instructional material for distribution to the municipalities
- Maintaining necessary liaison with federal, provincial and municipal officials
- Verifying claims submitted by the municipalities and local boards; this may include an examinations of the accounts and records

The Municipal Works Assistance Program

This is a federal-provincial-municipal program designed to increase employment during the twenty-nine-month period from November 1, 1963 to March 31, 1966, by making available to municipalities and school boards financial assistance to accelerate municipal projects.

Under the terms of the program, Canada allocated to Ontario \$136,769,548. The Province, in turn, had apportioned this sum to the municipalities and school boards by December 31, 1965. It is anticipated that, by the March 31, 1966 deadline, the entire amount will have been formally committed.

Assistance to a municipality for an eligible project consists of:

- (1) a loan of two thirds of the eligible cost of the project at an interest rate equal to the Government of Canada long term rate, plus not more than $\frac{1}{4}$ of 1%, and
- (2) a forgiveness of one quarter of the loan as related to costs incurred before April 1, 1966.

The rates of interest on the loans have been as follows: During the year 1964 – $5\frac{3}{8}\%$; during the first six months of 1965 – $5\frac{1}{4}\%$; during the last six months of 1965 – $5\frac{3}{8}\%$; and for the first quarter of 1966 – $5\frac{3}{8}\%$.

Where a municipality or school board submits an Application for a Commitment for a Loan and it meets the requirements of the program, the Branch issues the Commitment. The Branch also arranges for an advance or final payment on such loans upon receipt of an application.

When the project is completed and final payment of the loan is to be made, the Branch carries out an examination of the project, records and accounts. Any adjustment to be made is discussed with officials of the municipality.

Each participating municipality or school board must issue a debenture to the Province for that portion of the loan which is not subject to forgiveness. The Branch assists by drafting the debenture by-law and preparing the debenture to be issued.

The program requires the Branch to maintain continuous liaison with officials of the Municipal Development and Loan Board in Ottawa.

SCHEDULE OF LOANS

<i>Type of Project</i>	<i>Number</i>	<i>Amount of Loan</i>
		\$'000
Municipal Buildings	100	14,018
Arenas, skating rinks and pools	40	4,761
Water, sewage and drainage facilities	194	19,695
Roads, streets and sidewalks	88	8,191
Bloor Danforth Subway — Metropolitan Toronto	1	29,482
Unclassified	12	1,206
	435	77,353
Schools	276	59,417
	711	136,770

PARTICIPATION ANALYSIS

Municipalities	<i>Municipalities Participating</i>		
	<i>Total</i>	<i>Number</i>	<i>Percentage</i>
Metropolitan Toronto, cities, towns and villages	341	128	38%
Townships, improvement districts and counties	623	64	10%
	964	192	20%
School boards		141	
		333	

PROGRAM PARTICIPATION TO DEC. 1965

	<i>Number of Projects</i>	<i>Estimated Amount of Loan</i>
		\$'000
Applications received	711	136,770
Commitments to Make a Loan issued	622	124,838
Advance loans made	8	22,777
Final loans made	86	15,656
TOTAL	94	38,434
Forgiveness granted	55	8,363

The Centennial Grants Program

This federal-provincial-municipal program was introduced to encourage municipalities to observe the historic significance of the one-hundredth anniversary of Confederation in Canada with local Centennial projects of a suitable and lasting nature.

Canada and Ontario each contribute \$1 per capita toward the cost of an eligible project. The municipality must also contribute at least \$1 per capita.

The Branch examines and processes applications for Provincial approval, and secures acceptance for the Federal portion of the grant. It also arranges for interim and final payment and carries out verification procedures.

PROJECT SUMMARY

<i>Type</i>	<i>Number</i>	<i>Estimated Grants</i>
		\$'000
Parks and playgrounds	313	3,532
Buildings, usually a modification to provide for broader community activities	120	897
Libraries and museums	103	1,521
Community and cultural centres	97	2,593
Arenas, skating rinks and pools	56	2,402
Publication of local histories	17	54
Buildings of architectural or historic significance	5	496
Unclassified	13	21
	724	11,516

PROGRAM PARTICIPATION

<i>Type</i>	<i>Number</i>	<i>Estimated Grants</i>
		\$'000
Applications received	724	11,516
approved	408	7,307
Payments made	42	411

The Winter Works Incentive Program

The main purpose of this federal-provincial-municipal program is to stimulate employment during the wintertime, by shifting municipal projects from summer to winter.

The municipalities were urged to give priority to projects which would provide the greatest amount of employment. The continuation of the program was announced early so that municipalities could plan projects and submit applications well in advance of November 1.

The 1964-1965 program covered the six month period from November 1, 1964 to April 30, 1965.

Municipalities receive a reimbursement of 50% from Canada and 25% from Ontario on direct payroll costs on accepted projects. A municipality within a Designated Area or Area of High Winter Unemployment may receive an additional 10% from Canada and 5% from Ontario.

Explanatory memoranda and application forms are distributed to all municipalities in the Province. All applications are examined and processed on behalf of the Province, and acceptance by the Federal Department of Labour is secured.

Claims for payments are examined and, if accepted, are recommended for payment. Upon completion of any project and before final payment is recommended, the Branch verifies the claim.

CLAIMS PAID 1963-64

<i>Type</i>	<i>Number</i>	<i>Amount</i>
		\$'000
Roads, streets and sidewalks	279	947
Water, sewage and drainage facilities	413	4,575
Parks and playgrounds	208	1,161
Buildings	184	1,538
	1,084	8,221

PROGRAM PARTICIPATION

<i>Program</i>	<i>Number</i>				<i>Reimbursement</i>		
	<i>Municipalities</i>	<i>Projects</i>	<i>Man-days of work</i>	<i>Direct Payroll Costs</i>	<i>Ontario</i>		
					<i>Canada</i>	<i>Amount</i>	<i>Percentage</i>
			'000	\$'000	\$'000	\$'000	
1958-59	186	579	310	3,990	1,995	945	100
1961-62	325	1,270	706	11,050	5,520	2,660	281
1962-63	346	1,264	794	13,866	6,933	3,320	351
1963-64	343	1,084	604	10,921	5,599	2,622	277
1964-65 (1)	290	900	650	12,600	6,450	3,150	333

(1) Estimated

The Municipal Unconditional Grants Act

This Act authorizes the payment of three different subsidies:

(1) THE UNCONDITIONAL PER CAPITA GRANT:

This grant, based on population, is made by the Province to assist municipalities in providing municipal services. The amount of the grant ranges from \$2 to \$5.50 per capita. This must be applied to reduce the taxes against residential and farm assessments.

The population of each municipality is determined by the most recently published census figures of the Dominion Bureau of Statistics less:

- The number of persons living in institutions within the municipality
- Those in defence establishments
- The residents of an Indian Reserve
- Transient or temporary residents

The Branch re-determines municipal population under certain circumstances. This is generally based upon an increase or decrease in the population, according to the last local assessment census. It arises from a natural increase in the population of a municipality or as the result of an annexation or amalgamation order.

PAYMENTS 1961-65

	1961	1962	1963	1964	1965
	\$'000	\$'000	\$'000	\$'000	\$'000
Amount	23,644	24,298	24,476	24,652	24,932

(2) HOSPITALIZATION OF INDIGENTS:

The Act authorizes payment of a grant to meet a substantial portion of the expenditures incurred by a municipality for indigent hospitalization.

The grant is equal to 80% of such expenditures made by the municipality on behalf of indigent persons including premiums payable to the Ontario Hospital Services Commission. To encourage the municipality to recover the costs involved from persons legally responsible, the Act authorizes it to retain 50% of any amount so recovered.

The Branch examines claims, discusses adjustments with municipal officials and recommends payment of the grant. A verification of the accounts and records of the municipalities is made.

PAYMENTS 1961-65

	1961	1962	1963	1964	1965
Number of Municipalities	307	183	281	101	210
Amount	\$2,639,000	\$1,815,000	\$1,957,000	\$1,564,000	\$1,961,000

(3) ADMINISTRATION OF JUSTICE IN A COUNTY WITH AN INDIAN RESERVE:

The Act authorizes payment to such counties of a subsidy of \$1 per capita of the population of the Indian Reserve. The grant assists the county with its costs for the administration of justice.

PAYMENTS 1961-65

	1961	1962	1963	1964	1965
	\$'000	\$'000	\$'000	\$'000	\$'000
Amount	12	13	13	13	13

The Fire Departments Act and The Police Act

To encourage municipalities to provide pensions and workmen's compensation to fulltime firefighters and policemen, these Acts authorize payment of a subsidy to eligible municipalities to help provide these fringe benefits.

The following table of subsidies is based on costs incurred.

<i>Subsidy</i>	<i>Population</i>
25%	under 10,000
15%	10,000 to 24,999
20%	25,000 to 69,999
10%	70,000 and over

PAYMENTS 1961-65

	1961	1962	1963	1964	1965
The Fire Departments Act					
No. of Municipalities	306	306	311	315	322
Amount	\$219,000	\$197,000	\$150,000	\$286,000	\$269,000
The Police Act					
No. of Municipalities	195	182	186	193	175
Amount	\$367,000	\$277,000	\$286,000	\$320,000	\$361,000

The Drainage Act

This Act authorizes a municipality to construct and repair a drainage work and to finance and rate its cost against the benefiting owners. It also authorizes payment of a grant for drainage work on agricultural land.

The grant is equal to a percentage of the approved cost of a project. In a county it is 33 1/3% and in a district 66 2/3%. In unorganized territories, a grant up to 80% of the cost may be paid.

The Branch is chiefly concerned with the administration of the grant sections of the act and with problems associated with apportioning the cost of the projects to the owners who benefit.

In an area without municipal organization, the Act authorizes the Department to survey the land, prepare plans and specifications, let contracts, rate the net cost after the grant, collect the benefiting owner's portion and pay the contractor.

The Branch examines petitions for payment of a grant and recommends approval to the Minister. If the amount of the grant is more than \$5,000, the application must be submitted by the Minister to the Lieutenant Governor-in-Council for approval. Upon completion, the Branch carries out a verification program, including an inspection of the works.

PAYMENTS 1961-65

	1961	1962	1963	1964	1965
No. of Municipalities	129	127	124	118	110
No. of Projects	552	643	518	449	401
Amount	\$664,000	\$774,000	\$625,000	\$599,000	\$608,000

The Municipal Tax Assistance Act

The Act authorizes payments to municipalities in lieu of taxes, on certain Provincial properties, to be determined at the commercial mill rate for general municipal purposes.

Generally speaking, a municipality is entitled to a payment in lieu of taxes on land and buildings owned and occupied by Ontario and used for legislative, executive and administrative purposes. Payments in lieu of taxes are not made to municipalities on land and buildings used for a number of purposes, such as education, hospitalization, a reform institution, a park, forests and certain other types of public use.

The Assessment Branch determines the valuation to be assigned to each eligible property and forwards a copy of the valuation to the municipality and to the Municipal Subsidies Branch. On this basis, the municipality prepares a bill for payment and forwards it to the Municipal Subsidies Branch which verifies the documents concerned and recommends payment.

The last five years have seen a steady increase in the number of provincially owned properties eligible for payment in lieu of taxes.

PAYMENTS 1961-65

	1961	1962	1963	1964	1965
	\$'000	\$'000	\$'000	\$'000	\$'000
Amount	1,425	1,243	1,496	1,614	1,938

The Planning Act

Under this Act the Province may enter into an agreement with a municipality to provide assistance towards the cost of urban renewal. The Ontario share of the assistance is equal to 25% of the eligible cost of the project while Canada, under separate agreement, provides 50% of such cost.

Because of the relationship between urban renewal and community planning, the amount of assistance for which a municipality is eligible under this federal-provincial-municipal program is determined by the Community Planning Branch.

The Municipal Subsidies Branch is responsible for the control and payment of these grants and also for the verification of the records and accounts of the municipalities, insofar as they relate to the claims submitted for such projects.

PAYMENTS 1961-65

	1961	1962	1963	1964	1965
No. of Municipalities	3	4	4	5	6
Amount	\$641,000	\$903,000	\$735,000	\$995,000	\$1,229,000

The Assessment Act

This Act authorizes payments to mining municipalities and assistance towards the cost of a regional system of assessment.

PAYMENTS TO MINING MUNICIPALITIES:

The Municipal Organization and Administration Branch is responsible for determining entitlement. The Municipal Subsidies Branch is responsible for the control and payment of grants.

PAYMENTS 1961-65

	1961	1962	1963	1964	1965
No. of Municipalities	58	59	59	59	59
Amount	\$5,300,000	\$5,506,000	\$5,909,000	\$6,022,000	\$5,808,000

ASSISTANCE FOR REGIONAL ASSESSMENT:

The Act permits payment of a subsidy to a county or municipality in a district adopting the regional assessment system. Assistance is granted towards the cost of the salaries of assessment officers and staff, and towards the purchase price or rental of office equipment.

The Assessment Branch determines the entitlement of the municipalities. The Municipal Subsidies Branch is responsible for the control and payment of grants.

PAYMENTS 1961-65

	1961	1962	1963	1964	1965
No. of Counties	38	38	38	37	37
Districts	—	—	—	—	1
Amount*	\$56,000	\$57,000	\$66,000	\$59,000	\$127,000

* Includes \$1,500 towards the salary of each county or district assessor.

Fox Bounties

To combat the spread of rabies, the Province assists municipalities which pay a bounty on the destruction of foxes, by reimbursing them at the rate of \$2 per fox.

PAYMENTS 1961-65

	1961	1962	1963	1964	1965
	\$'000	\$'000	\$'000	\$'000	\$'000
Amount	10	11	12	11	10

Tenant Occupied Provincial Property

Provincial properties rented to tenants are not exempt from municipal taxation.

The Municipal Subsidies Branch, in co-operation with the Assessment Branch, verifies the authenticity of the tax notices submitted by municipalities concerning these properties and arranges for their payment.

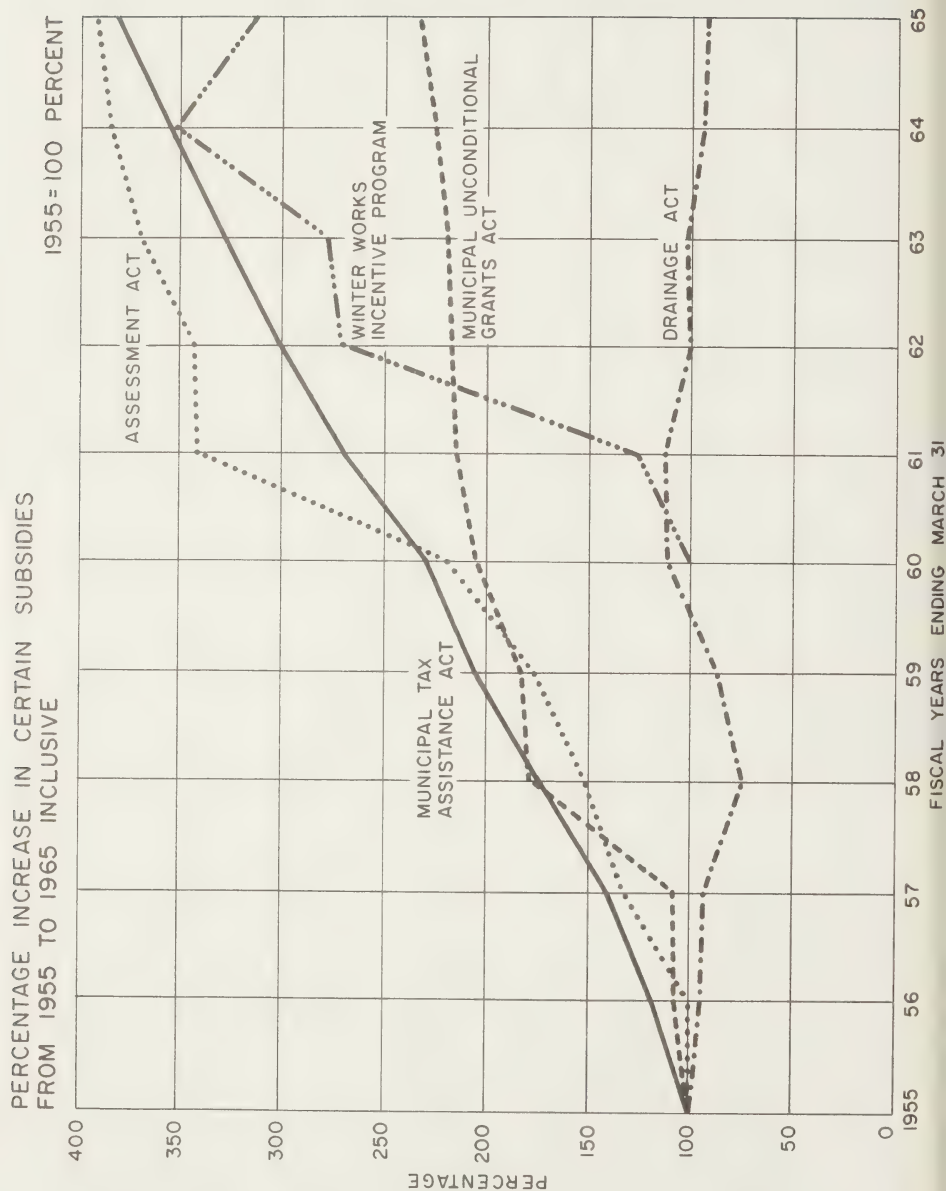
PAYMENTS 1962-65

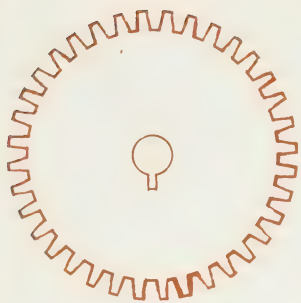
	1962	1963	1964	1965
	\$'000	\$'000	\$'000	\$'000
Amount	212	528	514	497

SUMMARY OF SUBSIDIES

	For the fiscal years ended March 31st									
	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964 1965
	(in thousands of dollars)									
The Municipal Unconditional Grants Act unconditional per capita, hospitalization of indigents and administration of justice on an Indian Reserve	11,638	12,396	12,702	20,670	20,962	23,996	24,979	25,509	25,761	26,240 26,878
The Assessment Act payments to mining municipalities and assistance towards the cost of a system of regional assessment	1,540	1,545	2,050	2,330	2,682	3,302	5,227	5,281	5,648	5,964 6,059
The Municipal Tax Assistance Act payments in lieu of taxes	448	530	628	788	922	1,035	1,232	1,354	1,477	1,584 1,710
Unclassified payments under The Fire Departments Act and The Police Act, fox bounties and tax payments on provincially-owned tenant-occupied properties	237	254	290	298	334	389	419	441	778	1,122 1,083
	13,863	14,725	15,670	24,086	24,900	28,722	31,857	32,585	33,664	34,910 35,730
The Drainage Act	709	689	669	530	611	789	800	702	753	684 664
The Winter Works Incentive Program (1)					889	2,925	3,620	7,950	8,186	10,269 9,234
The Planning Act assistance toward urban renewal							775	560	1,207	374 1,037
The Confederation Centennial Act (1)										76
	709	689	669	530	1,500	3,714	5,195	9,212	10,146	11,327 11,011
Total	14,572	15,414	16,339	24,616	26,400	32,436	37,052	41,797	43,810	46,237 46,741

(1) Includes the Federal contributions





ASSESSMENT BRANCH

The Assessment Branch is composed of a main office establishment and eight regional offices throughout Ontario. Each regional office is staffed by at least four trained and experienced assessment officers.

Responsibilities

- Education and training of municipal assessors
- Preparation and maintenance of a manual which may be used to determine the value of real property
- Encouragement and assistance in the establishment of the county and district assessment systems
- Compilation of assessment equalization reports for the apportionment of costs among the municipalities in the territorial districts
- Supervision of assessment procedures in designated mining municipalities and improvement districts
- Determination of assessment equalization factors which are used by Government departments as a significant factor in the distribution of subsidies to municipalities or local boards
- Estimating the value of real property which is subject to the payment of a grant in lieu of taxes

Extension Courses

The Department has assisted the Institute of Municipal Assessors in revising its extension courses which are offered to municipal assessors through Queen's University. As of September, 1966, all three years of the revised course will be available to municipal assessors. These improved courses provide coverage of such topics as local government, town planning, economics and appraisal theory. It is the intention of the Department and the Institute, through these courses, to give assessors a thorough grounding in these fields in order to fill the ever increasing need for trained and qualified municipal assessors.

Feeling that, despite the extramural nature of these courses, some classroom instruction would prove beneficial to the students, the Education Committee of the Institute has introduced a new approach in assessor training in the form of seminars. One such seminar, dealing with material covered in the first third of the second year course, has already been held at Queen's University in Kingston. Several more are planned for the future in various centres throughout the Province.

The Education Committee, which is composed of two members of the Institute, two staff members of Queen's University and one staff member of the Assessment Branch, reports directly to the Board on such matters as course content, registration and fees.

Training Program

During 1965 the Department initiated and developed a training program for assessors which is of a more practical nature than the Institute courses. With emphasis on the methods and procedures set out in the Department's Guide for Assessors, this is a continuing program of education and consists of four two-week courses with subsequent field training.

The purpose of the program is to acquaint assessors with appraisal theory and to instruct them in all aspects of residential, commercial and industrial cost estimating, the use of the income method to determine value, the analysis and use of data on the sale of property, and the assessment of rural properties. The classroom instruction and field training have been given successfully in several assessment jurisdictions throughout the Province, primarily for newly organized county and district assessment commissioner systems. After completing the program, assessors will be familiar with the Department's "Assessors' Handbook of Cost Factors", more commonly called the Department's Manual.

Due to the continuing nature of this training program, the Department has made provision for constant revision, improvement and extension of its work in this area.

Manual

In conjunction with its training program, the Department has established a program to update and extend existing manual material and to develop and compile new cost factors and procedures. Planning is being done on the premise that this program must also be of a continuing nature. In addition, it is planned to revise the publication "Appraisal Notes for Assessors", which is used in conjunction with the Manual.

Licencing

Effective January 1, 1966, all municipal assessors will have to be licenced by the Minister, through the Assessment Branch. Three classes of licence will be issued – Temporary, Probationary and Full.



The Temporary Licence will be issued to assessors who are practising at the time of issuance, but have not completed the Institute's course or other acceptable training. The Probationary Licence will be issued to those assessors who are practising and have enrolled in the course. There will be a six-year limit on the holders of this type of licence, during which time they are required to have completed successfully the Institute's course. The Full Licence will be issued to graduates of the course who are practising assessors.

The Department feels that the issuance of these various classes of licence will result in more control over the quality of assessors throughout the Province and should lead to fulltime employment for municipal assessors. Municipalities will be assured of acquiring well qualified staff and also trainees in the assessment field.

In general, the Department's training program, aimed at improving the calibre of assessors and assessment throughout the Province, has been well received.

County and District Assessor Systems

As of January 1, 1966, 16 counties (comprising 324 municipalities) and four districts (containing 70 municipalities) are operating under the new centralized assessment systems.

The Assessment Branch encourages the adoption of these centralized systems and offers substantial grants in order to assist in defraying the costs. These subsidies include an amount up to \$12,500 toward the salary of the commissioner and his staff, 50% of the cost of office equipment used in processing assessment data up to \$2,500, and 50% of the cost of the rental of such equipment.

Experience indicates that the larger centralized assessment jurisdictions have provided and will continue to provide increased equality and efficiency in the assessment of real property in the various municipalities.

Mining Municipalities and Improvement Districts

Assessment officers from the Branch supervise the assessment procedure in the municipalities and improvement districts which receive mining revenue payments, and staff members visit these municipalities each year. Assessment methods are examined and, when necessary, instructions for adjustments and improvements are given.

Uniform assessment practice must be maintained in these municipalities and improvement districts so that the mining revenue payments may be distributed properly.

Equalization of Assessment Reports

The Branch annually prepares assessment equalization reports for ten of the eleven districts. These form the basis upon which the cost to maintain a home for the aged in a district and, where applicable, the cost of public welfare, is apportioned among the municipalities concerned.

Valuation for Grant Purposes

Assessment officers from the regional offices are responsible for estimating the value of all real property, held by the Crown in right of Ontario or its agencies, which is subject to the payment of grant in lieu of taxes. In 1965, valuations were prepared under the provisions of The Municipal Tax Assistance Act for 3,262 urban properties in 646 municipalities and under the provisions of The Hydro-Electric Power Commission Act for 4,229 properties in 547 municipalities.

In Ontario, 72% of the municipalities received grants in lieu of taxes under one or both of these statutes.

In certain instances, the Government of Ontario pays, on behalf of tenants in provincially owned properties, the real property taxes and other charges levied by the municipalities. The assessments upon which these levies are based are made by the local assessor and are checked by the Branch for equality and consistency.

Maintenance of Assessment Equalization

One of the most important considerations in the development of a municipal subsidy program is equality in the distribution of the funds. The valuation of real property is evidence of a municipality's ability to provide municipal services to its inhabitants only if the valuation has been prepared by the use of sound and consistent methods which reflect actual value.

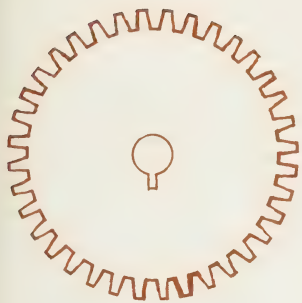
The assessment rolls of the municipalities and the school sections in territories without municipal organization are prepared under the supervision of individual assessors. The principles and methods used in the preparation of these assessment rolls vary from municipality to municipality as does the competence of the individual assessor.

Therefore, in order to determine the assessment of all the real property across the Province on a consistent basis, the Assessment Branch has established an extensive program designed to convert the actual assessment, as determined by the local assessor, to a uniform assessment usually referred to as an "equalized" assessment. The equalized assessment is

used to calculate equalized assessment indices which are used extensively in the calculation of the grants to the local school boards by the Department of Education. They are also used, to a lesser extent, by the Department of Highways in the administration of certain aspects of its highway subsidy program.

In order to prepare these indices of equalization, the Branch maintains a province-wide sampling and sales analysis program. Indices are prepared for each of the 938 local municipalities and the 401 school sections in territory without municipal organization, by establishing the relationship between the taxable assessment of each taxing jurisdiction as determined by the local assessor and the provincial norm. In 1965 the indices were based upon a comparison of assessment for some 150,000 taxable properties, after analysis of some property sales.





LAW BRANCH

The primary functions of the Law Branch are to provide advice and legal opinions and to prepare the Departmental legislation.

Over the past year the Branch provided legal services for the Department and advice to other Provincial Departments of the Government where problems involving municipal law had arisen. Branch representatives met with municipal officials, both elected and appointed, and private individuals to discuss municipal problems. A number of solicitors consulted with the Branch on particularly difficult matters. In addition, numerous enquiries were dealt with by correspondence and by telephone.

In providing assistance to the municipalities and to the public the Branch must exercise careful discretion to prevent any substantial encroachment into the field of practising municipal solicitors. Consideration is given to the size and financial resources of the municipality concerned.

In 1965 extensive amendments were made to the major Statutes administered by the Department and in particular to The Municipal Act. Proposals for legislation originated within the Department, as well as from outside sources such as individual municipal officials or their various associations, e.g. the Ontario Municipal Association.

After the proposals have been reviewed, the necessary legislation is drafted and taken by the Minister to Cabinet for approval in principle. It is then reviewed with Legislative Counsel in the Department of the Attorney-General for introduction in the Legislature. Representatives of the Law Branch attend meetings of the Committee on Labour, Legal and Municipal Bills when any legislation introduced by the Minister is before the Committee.

A number of private bills presented to the Legislature during the year were scrutinized by the Branch for legality, as well as for consideration as to whether the bills were in the public interest. In some instances, these bills were submitted to other Branches or Departments for study. Unless first resolved with the petitioner, Branch representatives presented Departmental objections to the Committee.

The Law Branch assisted in the implementation of the various programs carried out by other branches of the Department and prepared legal opinions as part of this service.

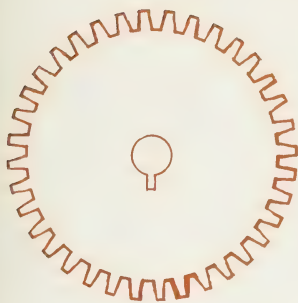
The staff has worked closely with the Community Planning Branch in the preparation of agreements with the Federal and Provincial authorities and municipalities on urban renewal studies and projects, the preparation of Minister's Orders, drafting of by-laws, advising on the legal aspects of subdivision, official plans, subdivision control, zoning, committee of adjustment applications, building by-laws and applications for building permits.

The Branch appeared before the Ontario Municipal Board on behalf of the Minister or Department in such matters as Minister's appeals from decisions of committees of adjustment, applications for municipal incorporation or alterations of municipal boundaries, equalization appeals, subdivision plan approvals, and other matters.

The Branch prepared reports and Order-in-Council recommendations on petitions to the Lieutenant Governor in Council under Section 94 of The Ontario Municipal Board Act concerning decisions of the Ontario Municipal Board. This involved consultation with other interested branches, departments, agencies and individuals.

In order to help municipal officials and other interested persons keep abreast of current legislation with municipal significance, the Branch prepared a Summary of Legislation Affecting Municipalities introduced at the last session of the Legislature.

In addition, the Branch prepared, or assisted in the preparation of brochures, memoranda, instruction and informative material for distribution to municipalities and local boards. Staff attended various conferences of municipal officials to read papers or speak on matters affecting municipalities.



OPERATIONS BRANCH

Responsibilities of the Operations Branch include personnel, purchasing, library, departmental filing, mail and printing.

Personnel

Changes in the organization structure of the major Branches necessitated the rewriting of a large proportion of the position specifications as well as the addition of many new ones in 1965.

Another heavy area of activity involved the installation of the new group and medical insurance plans plus the processing of salary revisions in most classifications.

Recruitment of qualified persons in all categories proved difficult, largely due to the tight employment market for trained personnel.

Assistance was given to all branches in a variety of personnel matters such as recruitment, organization, salary administration and job evaluation.

Complement of the Department and the number of persons on staff at the end of the years 1964 and 1965 were as follows:

	<i>Complement</i>	<i>On Staff</i>	<i>Vacancies</i>
1964	276	237	39
1965	287	247	40

Library

Although primarily serving the Department staff and other government officials, as well as Ontario municipal officials and consultants and university students, the Library is also open to the general public during office hours. It participates in inter-library loans with public, university and special libraries.

The library is a growing collection of more than 20,000 books and pamphlets which is supplemented by 200 monthly periodicals and newsletters, a selection of Dominion Bureau of Statistic reports, and more than 1,600 maps, newspaper clippings and historical files.

Included in the collection is material on municipal government, finance, assessment, history and town planning. Approximately 150 books, reports and pamphlets are received monthly.

Various indexes and records are kept on the following:

- Ontario Municipal Board orders and decisions dealing with changes in municipal boundaries or status, assessment appeals, debentures, and expropriations of land; other records on incorporations and boundary changes since 1792
- A private bills index from 1867 to the present
- An index to the composite townships in Ontario
- Index to Ontario Regulations (updated weekly)
- Index to Electoral Districts of Ontario
- Records on incorporations of police villages
- Summary of historical development of many Ontario municipalities

The Library issues a Library Bulletin which contains information on recent acquisitions to the Library, a summary of Ontario Municipal Board appointments for hearings, decisions and orders regarding changes in municipal status or boundaries, notices of municipal association annual meetings, a list of legislation administered by the Department of Municipal Affairs, and summaries of recent municipal court cases.

During 1965 a bibliography was prepared by the Library entitled *Theses related to Municipal Administration, Finance, and Planning, 1963* edition with 1964 supplement attached. In addition, two duplicate exchange lists were prepared and circulated to Ontario Government libraries.

The Librarian visited the new Municipal Reference Library, Toronto Public Library, and City Hall Library, Toronto, to set up a system of mutual co-operation and assistance.

Librarians from other areas visited the Department to seek assistance in setting up general and planning libraries, noting in particular the scope of our collection and our special services and records. Visitors included librarians from a municipal consulting firm, the Ontario Legislative Library and the University of Buffalo.

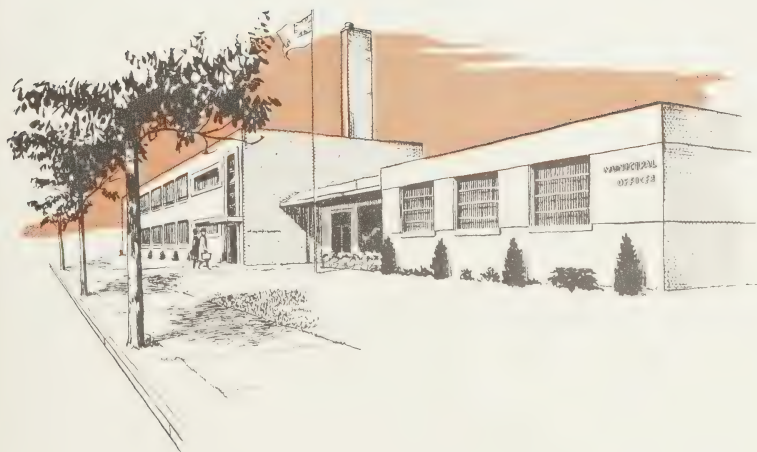
Purchasing

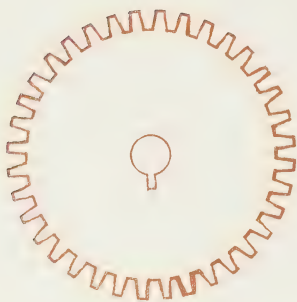
This section includes the stock room, mail and messenger services, printing and equipment purchases.

During 1965 incoming and outgoing mail, deliveries, the printing room work load, and orders placed with outside firms increased considerably.

As additional equipment will have to be purchased for this section, visits were made to business machine shows and companies in order to test new equipment.

Space accommodation is a continuing problem due to staff additions and section reorganization in the Branches. New space has been acquired in London due to the expansion of this office to include Supervisors from Administration, Planning and Accounting Branches. A survey is being taken to ascertain the Department's space requirements in Toronto for the next few years.





ACCOUNTS BRANCH

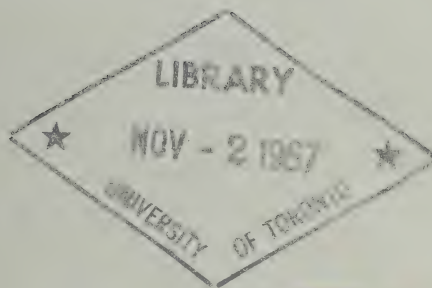
Responsibilities

- (1) PAYMENT OF ACCOUNTS – The examination and presentation to Treasury for payment, of all accounts for goods and services supplied to the Department together with requisitions for grants and subsidies submitted by the Subsidies Branch.
- (2) REVENUE – The collection, recording and control of all revenues due to the Department.
- (3) PAYROLLS – The preparation of the payrolls for the staff of the Department and the Ontario Municipal Board. The Branch provides assistance and information to members of staff concerning fringe benefits, hospital insurance, etc.
- (4) ESTIMATES – The co-ordination of Department Estimates into the final submission to the Treasury Board and the Government. The Branch also prepares, in co-operation with other Branch heads, information required by the Minister for his presentation of the Department's Estimates to the Legislature.
- (5) FINANCIAL CONTROL – In addition to maintaining the books of account concerning the Department's operations, the Branch also provides monthly expenditure reports to Branch heads and prepares other statistical and financial reports required by various government agencies. Over the last 10 years the level of ordinary expenditure of the Department has increased by 400% so that the control functions of the Branch have become increasingly important.

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Ontario. Municipal Affairs, Dept. of
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Annual report



ARTMENT OF MUNICIPAL AFFAIRS



1960



ANNUAL REPORT

1966

DEPARTMENT OF MUNICIPAL AFFAIRS

ONTARIO



THE HONOURABLE J. W. SPOONER
Minister of Municipal Affairs



ONTARIO

OFFICE OF
MINISTER OF MUNICIPAL AFFAIRS

801 Bay Street
Toronto 5, Ontario

April 1, 1967

The Honourable W. Earl Rowe, P.C. (C)
Lieutenant-Governor of the Province of
Ontario

Your Honour:

The undersigned has the privilege
of submitting for the information of Your
Honour and the Legislative Assembly, the
Annual Report of the Department of
Municipal Affairs.

Respectfully submitted

A handwritten signature in cursive script, appearing to read "J. W. Spooner".

J. W. Spooner

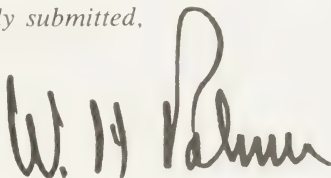
Minister

FOREWORD

TO THE HONOURABLE J. W. SPOONER,
MINISTER OF MUNICIPAL AFFAIRS

I have the honour to present to you the Thirty-third Annual Report of the Department of Municipal Affairs for the calendar year ended December 31, 1966. This Report is presented in accordance with section 5 of The Department of Municipal Affairs Act.

Respectfully submitted,

A handwritten signature in dark ink, reading "W. H. Palmer". The signature is written in a cursive style, with the first letters of each name being capitalized and prominent.

W. H. PALMER
DEPUTY MINISTER

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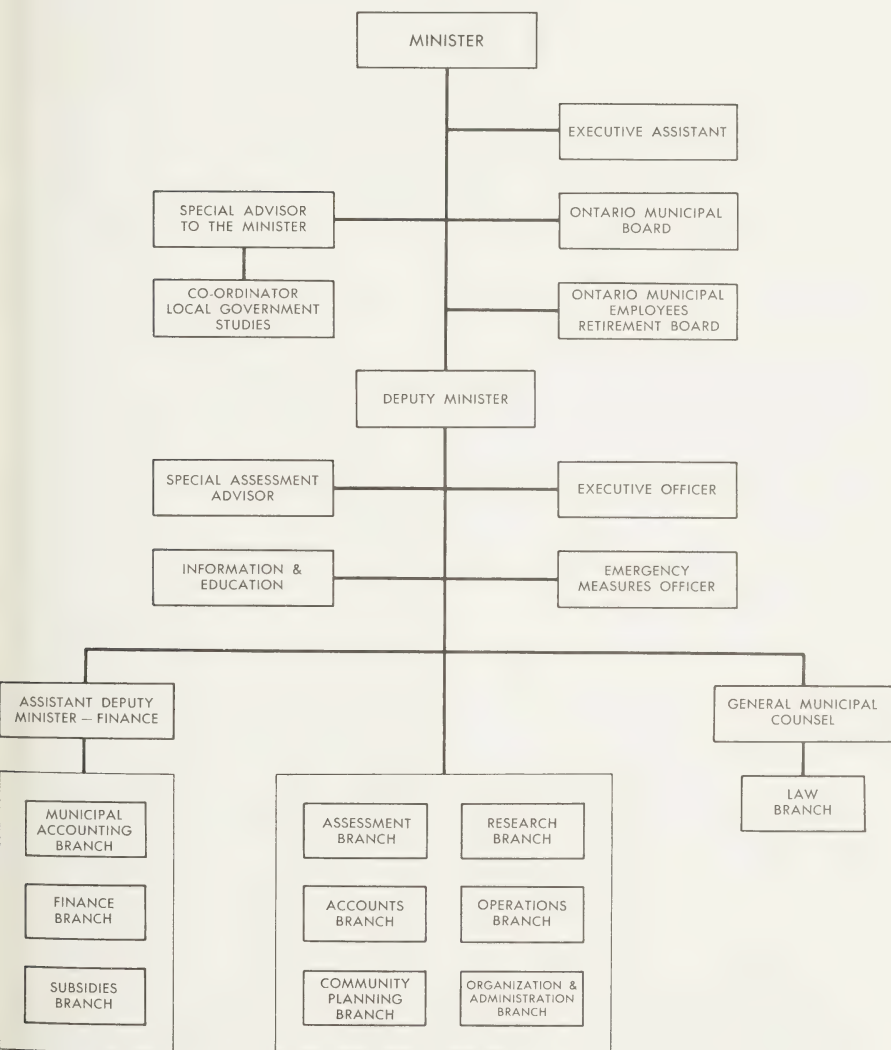
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DIRECTORY

Minister	HON. J. W. SPOONER
Executive Assistant	J. M. MAIN
Special Advisor to the Minister	L. R. CUMMING, Q.C.
Assistant	J. O. PEARSON
Deputy Minister	W. H. PALMER
Executive Officer	V. BOZZER
Special Assessment Officer	M. R. SLOAN
Assistant Deputy Minister (Finance)	PAUL HICKEY
General Municipal Counsel	C. W. YATES, Q.C.
Director of Assessment	P. G. GILLIS
Director of Community Planning	D. F. TAYLOR
Director of Municipal Accounting	R. J. WATSON
Director of Municipal Finance	E. M. FLEMING
Director of Municipal Subsidies	M. D. TREWIN
Director of Organization and Administration	A. T. BUTLER
Director of Municipal Research	S. CLASKY
Director of Information and Education	J. M. MAIN
Chief Accountant	G. E. HIGHAM
Director of the Law Branch	J. W. BELL
Director of Operations	A. T. SUTHERLAND
Librarian	MISS B. WEATHERHEAD

DEPARTMENT OF MUNICIPAL AFFAIRS ORGANIZATION CHART



PUBLICATIONS

Annual Report

Summary of Legislation Affecting Municipalities

Bulletins and Instructional Guides

ADMINISTRATION AND ORGANIZATION

Provincial Assistance to Municipalities, Boards and Commissions

ASSESSMENT

Manual – Handbook of Cost Factors

Appraisal Notes

Brochures – Assessment Education in Ontario

New Assessment Manual

COMMUNITY PLANNING

Urban Renewal Studies Manual

Urban Renewal Scheme Preparation Manual

Urban Renewal Scheme Implementation Manual

First draft – Subdivision Approval Manual

Ontario Planning Newsletter (four issues plus annual report supplement)

M.T.A.R.T.S. – Draft Regional Development Report

Recreation Tomorrow – Ontario Looks at 1986

FINANCE

Annual Report of Municipal Statistics

Municipal Directory

ASSESSMENT BRANCH

Objective

The complete program to improve assessment administration can be divided into five distinct, but integrated parts. In chronological order, these are: an assessment manual, training courses, enlarged assessment jurisdictions, the introduction of standardized forms suitable for electronic data processing, and licensing.

Department Manual

Although the Department of Municipal Affairs prepared cost manuals in 1950, 1952 and 1954, it was decided in 1962 that a comprehensive assessment manual, applicable to all municipalities, should be prepared by the Department and distributed to the local assessors. The manual, which consists of two volumes – The Handbook of Cost Factors, and Appraisal Notes – was completed and in the hands of the local assessors by the summer of 1964.

Unlike its predecessors, the Handbook of Cost Factors is predicated on current building costs so that it must be revised periodically. The second volume, the Appraisal Notes, is a text book of appraisal theory which outlines the various methods of valuation and enunciates the basic premises of the provincial system.

This book, which emphasizes the primary importance of the comparative sales method of valuation in the appraisal process, is also in the process of revision and will be available for distribution in a few months.

Municipalities are not obligated to employ the Department's assessment manual, although it is expected that within a few years its use will be widespread. Two municipalities, which have recently undertaken reassessments, are using the manual and several other jurisdictions are implementing it gradually.

Training Course

Municipalities have not been encouraged to adopt the new manual as the Department prefers the local assessors to be fully trained in its application before it is implemented. To this end, members of the Assessment

Branch have undertaken training programs in various centres across the province. Training is devoted to the practical application of the theory explained in the manual. It consists of four two-week lecture courses followed by field training on the material presented in the lectures. The purpose of the program is to instruct local assessors in all aspects of residential, commercial, industrial and rural appraisal within the context of the Department manual.

Since the program was initiated in the winter of 1964, courses have been given to more than 300 assessors. In view of the long-term need for training of this type, the Assessment Branch has provided for the constant improvement and extension of this program.

Training for assessors is also available through the extension course sponsored by the Institute of Municipal Assessors of Ontario at Queen's University, Kingston. More than 600 students have graduated from this course, in operation since 1954.

In an attempt to keep up with the latest developments in appraisal theory and to expand the scope of the course, the Institute revised the entire course in 1962. The Minister recommended that the Provincial Government provide a grant to cover the cost, and staff were assigned to assist in re-writing the lesson material. The revised course is now in operation and provides an excellent background in local government and price theory, as well as in appraisal theory, for student assessors. Municipal authorities agree that the Institute has done an excellent job in promoting the education and improving the training of assessors in this Province.

Membership in the Institute of Municipal Assessors – which itself entails successful completion of the Institute's extension course – is an essential requirement for any person wishing to obtain a regular assessor's licence in Ontario.

Centralized Assessment System

As in many provinces and states, adequate assessment administration in Ontario has been hindered by the multiplicity of small, inefficient assessing jurisdictions. In an attempt to correct this situation, the Legislature enacted amendments to The Assessment Act which permit counties and districts to replace the local assessors with a county assessment commissioner or district assessor.

Although the first of these centralized assessment systems began operating in 1961, it was not until 1965 that centralized systems gained much popularity. At the beginning of 1966, there were 20 centralized systems making the assessments for 394 municipalities and a number of school districts. During the year, the councils of eight more counties (containing 126 municipalities) and one district (containing 27 municipalities) approved centralized systems, effective January 1, 1967.

Data Processing

The most recent aspect of the Department's program to improve assessment administration in Ontario – and one which will come into operation in 1967 – is the design of standardized assessment rolls, assessment notices, and field sheets which can be used by all municipalities. The need for such standardization has become increasingly acute as more assessment jurisdictions have turned to electronic data processing to carry out the clerical work associated with assessment.

The new forms were designed by a committee representing the Department, municipal assessors and representatives from the data processing industry, and are adaptable to all types of data processing equipment. They were tested in the City of Galt and reports indicate that they are working out well. The four districts utilizing centralized assessments will begin using the forms in 1967 and the Department expects that a number of other jurisdictions will do likewise.

One substantial benefit of the new forms will accrue to municipal planners, housing authorities and other users of assessment data, who will now be able to retrieve information from assessors on a uniform basis. One part of the program, included on the field sheet, is a seven-digit land code prepared by the committee in conjunction with officials of the Metropolitan Toronto Planning Board. This code should prove useful to other Departments of the Provincial Government as well as to municipal officials.

Licensing

The Department manual supplies a valuation process suitable for the mass appraisal needs of the municipal assessor. The training programs carried out and supported by the Department furnish the educational background essential for the efficient implementation of the manual. The centralized assessment systems provide enlarged jurisdictions which lead to a more efficient scale of operations for assessors. The standardized rolls and field sheets adaptable to data processing reduce the clerical aspects of assessment and allow more time for market analysis and property inspection.

In view of these other changes, the need for qualified, trained assessors is apparent. In the past, many municipalities have been content to make do with poorly trained men, many of whom lacked either the interest or the ability to provide an equitable property tax base. As a result, it was necessary to limit the discretion of municipalities as to whom they might employ as assessors. It was decided that licensing was not only the most efficient way to ensure at least minimum standards of competence, but also the fairest way for the assessors themselves.

The Department first considered a licensing program in 1964. That year, at the annual convention of the Association of Assessing Officers

of Ontario, the Minister asked the Association to nominate four persons to serve on a committee which would establish the ground rules for the licensing program. This was done within the next year and these ground rules serve as the basis for the Regulations issued at the beginning of 1966. Implementation of licensing was delayed by the need to amend The Municipal Act and The Department of Municipal Affairs Act before the Regulations could be prepared.

Several portions of the Regulations are of interest. The licence, which costs \$10, is good for one year only and expires on December 31 of the year in which it is issued. There are three classes of licence: regular, temporary and probationary. A regular licence may be granted to an applicant who is either a member of the Institute of Municipal Assessors or has equivalent qualifications, or to a practising municipal assessor who has passed an examination on assessment law and appraisal theory prepared and marked by officials of the Department.

A temporary licence may be granted to an applicant who was a practising assessor employed by a municipality on December 31, 1965. The holder of a temporary licence may not perform the duties of a municipal assessor in any municipality other than that which employed him on December 31, 1965. A temporary licence does not require the qualifications necessary for a regular licence but, at the same time, it restricts the mobility of the holder. It is expected that over a period of years the number of temporary licences will decline and eventually only regular and probationary licences will be issued.

A probationary licence may be granted to an applicant who is a student member of the Institute of Municipal Assessors of Ontario, and who undertakes to qualify for a regular licence within six years of his first application for a probationary licence. The holder of a probationary licence may move from one job to another and continue to hold his licence.

Under the Regulations, the Department can refuse, suspend or revoke a licence (subject to a hearing at the assessor's request) on any of four grounds:

- (a) If the assessor fails to carry out, or negligently carries out, any of the duties of a municipal assessor as set out in The Assessment Act and other provincial statutes;
- (b) If the assessor is not, or has ceased to be, qualified for the licence applied for or held;
- (c) If the assessor, from improper motives, prepares an inequitable assessment roll;
- (d) If the assessor has abetted, acquiesced in or concealed irregularities in his records or valuations regardless of whether he or some other person is responsible.

All assessment rolls prepared throughout the Province will be regularly

inspected to ascertain if they have been prepared in compliance with The Assessment Act.

To assist in administering the licensing program, an Advisory Committee has been appointed with representation from the Association of Assessing Officers of Ontario and the Department. This committee is responsible for interpreting the Regulations and must evaluate each application. It decides if a licence will be granted and, if so, what class of licence will be issued.

With regard to the granting of regular licences, the committee has decided that there is – as yet – no acceptable equivalent to membership in the Institute of Municipal Assessors of Ontario.

In view of the work required to establish a worthwhile licensing program and to expedite the Advisory Committee's efforts, a permanent secretariat to the committee was appointed. This secretariat consists of two members of the Assessment Branch whose sole responsibility is to administer the day-to-day operations of the licensing program.

As of December 31, 1966, 357 regular, 564 temporary and 340 probationary – a total of 1,261 licences – have been issued.

Statutory and Regulatory Functions

Uniform assessment practices are necessary to ensure proper distribution of mining revenue payments. Consequently, assessment officers from the Branch supervise the assessment procedure in municipalities and improvement districts which receive these payments.

Branch staff prepare annual assessment equalization reports which form the basis of apportioning costs for Homes for the Aged and District Welfare Boards. During 1966, reports were made for 10 of 11 Territorial Districts.

Regional assessment officers are responsible for estimating the value of real property which is subject to the payment of a grant in lieu of taxes. Under the provisions of The Municipal Tax Assistance Act and The Hydro-Electric Power Commission Act, valuations were made on 7,450 properties in 760 municipalities.

To determine the assessment of all real property across the Province on a consistent basis, the Branch has established an extensive program to convert the actual assessment, as determined by the local assessor, to a uniform basis – usually referred to as an “equalized” assessment. This assessment is used to calculate “indices”, which are used extensively in the calculation of grants to school boards by the Department of Education and, to a lesser extent, by the Department of Highways in the administration of certain aspects of its highway subsidy program. In order to prepare these indices of equalization, the Branch maintains a province-wide sampling and sales analysis program. Indices are prepared for each of the 938 local municipalities and the 400 school sections in territory without municipal organization.

COMMUNITY PLANNING BRANCH

This year the work of the Branch has broken most past records, e.g.:

- Number of plans of subdivisions processed increased 15% over 1965
- Committee of Adjustment decisions reviewed increased 50% over 1965, from 7,000 to 10,500
- Number of zoning by-laws reviewed up 11%, from 1,267 to 1,400
- Number of official plans and amendments processed up 10%, from 178 to 196
- Number of consent applications submitted for Minister's approval increased from 400 in 1964, to 1,500 in 1965, to 3,100 in 1966 – a seven-fold increase over the two-year period
- Number of municipalities actively engaged in urban renewal projects increased from 26 in 1965 to 40 in 1966
- Significant increase in meetings with planning consultants, municipal councils, planning boards and committees of adjustment

Conferences

Branch staff attended many conferences relating to community planning during the year, both as participants and observers.

Representatives made formal presentations at conferences, courses and seminars sponsored by development councils, building and planning groups, municipal associations, housing authorities and others.

Conferences and seminars arranged by the Branch included: the Ontario Planning Staff Conference; conference on urban renewal procedures for planning consultants; seminar of municipal solicitors and planning directors to discuss official plans; presentation to planning directors on the Metro Toronto and Region Transportation Study.

Planning Advisory Service

During the year, branch staff held some 1,800 meetings to promote community planning and assist municipalities in their planning programs. They met with councils, planning boards and committees of adjustment,

both on their home ground and in Branch offices. In addition, a large number of meetings were held with the public, private developers, planning consultants and staff of municipalities. An estimated 2,000 persons visited the Subdivision Section to secure advice, information on the status of an application, etc.

Visits by planning officers from the Sudbury and Port Arthur district offices to municipalities within their areas continued at a high level. In addition to train, bus and air travel, distance driven by these field men reached 32,500 miles during the year. To provide more rapid service for municipalities in remote areas, arrangements have been made to use Department of Lands and Forests' aircraft.

Staff

During the year the permanent staff has increased from 77 to 91. Staff turnover continues to be high with 22 leaving the Branch in 1966, in most cases to secure positions at a substantially higher salary. The turnover is particularly high for technical staff who, after two years of training in the Branch, are in demand by planning agencies.

To fill the need for more experienced staff, particularly planners, the Branch carried out a recruitment program in the United Kingdom. In October the Director and the Head, Administration Division, interviewed 24 applicants in London, England, offered employment to 16 applicants and have received letters of acceptance from nine. All are planners who have qualified for membership in the Town Planning Institute of Great Britain, and have experience in planning operations ranging from two to 20 years.

Since senior staff must provide the orientation training for new employees, it has been necessary to postpone the Internship Training Program for planning technicians, scheduled for 1966 and 1967. However, the program is being developed for operation in the near future.

Planning Areas

The emphasis on establishing planning boards for larger urban-centred planning areas continued through 1966. Two new joint planning areas (County of Elgin Planning Area and the Tri-Town Planning Area) were defined, and meetings were held to discuss the possibility of establishing this type of planning agency.

The County of Elgin Planning Area includes the City of St. Thomas and the 16 municipalities forming part of the county for municipal purposes. The inaugural meeting of the Board was held on November 8.

The Tri-Town Planning Area was defined on November 24. It includes the Towns of Cobalt, Haileybury, Latchford and New Liskeard, and the Townships of Bucke, Coleman and Dymond. The interest displayed by the Tri-Town area municipalities indicates an awareness of

the planning and development problems being experienced in the northern part of the province, and of the advantages of developing a joint planning program to cope with them.

In addition to the two joint planning areas, the Minister defined the Village of Wyoming and the Township of Smith as planning areas.

The following planning areas were dissolved as a result of the establishment of new or modified planning organizations:

Mimico	New Toronto	Kitchener-Waterloo
Leaside	Township of Hanmer	New Liskeard
Township of Capreol	Township of Bucke	Port Stanley
Long Branch	St. Thomas	Brantford
	Aylmer and Malahide	

There were 391 planning areas in existence at the end of 1966.

Several municipalities acquired permanent planning staff for the first time during 1966, e.g. Cornwall, County of Elgin, County of Waterloo, City of Waterloo and County of Brant.

An analysis of the replies to our annual questionnaire (67% return) indicates that municipalities are spending more on planning. This signifies a growing awareness of the need to plan. The average expenditure by the 36 joint planning boards reporting was \$25,664 and by the 71 single independent boards, \$3,000.

However, these figures – like most averages – are misleading. Of the 36 joint boards reporting, six spent \$10,000 or more and 17 spent \$1,000 or less. Of the 167 single independent and subsidiary planning boards reporting, 18 had expenditures of \$10,000 or more and 87 had expenditures of \$1,000 or less.

How, one might ask, can an effective planning program be carried out for \$1,000 or less? Judging from the records of planning activity (or lack of it) in these municipalities, the answer is that a program *cannot* be undertaken effectively for that amount of money.



Minister's Orders

The following Minister's Orders were made under Section 27 of The Planning Act:

<i>Date of Order</i>	<i>Territory Covered</i>	<i>Effect of Order</i>
January 11, 1966	Batchewana Area, District of Algoma	Subdivision Control
August 30, 1966	All territory without municipal organization District of Kenora	Subdivision Control
September 30, 1966	Temagami area, District of Nipissing	Deeming Registered plans M-66, M-251 and M-269 not to be plans under Section 26(1)

The Order made on August 30, covering all lands in the District of Kenora lying outside incorporated municipalities, established subdivision control over approximately 150,000 square miles – by far the largest area ever affected by a single Order.

Soon after this Order came into force, arrangements were made to have most of the process for dealing with plans of subdivision and consents within Northwestern Ontario handled by the regional staff at Port Arthur. If this experiment is successful, it will probably be extended to Northeastern Ontario, and to Southern Ontario as new field offices are established.

Townsites

The Branch Director, acting as Chairman of the interdepartmental Townsites Committee, and several staff members were engaged during the year in operations associated with the development of new townsites.

The first phase of the Temagami townsite – developed to accommodate the population growth arising from the Sherman iron ore mine and other industrial operations – was designed and arrangements made for a limited number of residences to be built and occupied. Sewer and water service design has been completed, with contracts to be awarded for construction early in 1967. Layout work is almost complete for several hundred more building lots adjacent to the initial phase of development.

Branch staff made representations to the Ontario Municipal Board during public hearings on the incorporation in Temagami.

Consultants and staff conducted studies to determine the best sites to accommodate employees and other population drawn into the area by

the construction of the Griffith iron ore mine near Red Lake. Based on these surveys, the Province decided in October that no new townsite would be constructed but that the anticipated growth would be directed into existing communities of the region – Balmertown, Ear Falls and Red Lake.

Following this decision, discussions were held with the two incorporated municipalities of Red Lake and Balmertown and with the citizens of Ear Falls to determine the best way these communities could expand to meet the new growth pressures. In the absence of any local government, the Branch engaged consultants to conduct field studies of topography, soils, ground water and other physical features in the Ear Falls area. It is expected that detailed plans for expansion of Ear Falls will be completed early in the Spring of 1967. Examinations of both Red Lake and Balmertown are also progressing.

Field studies were also conducted in the Batchewana area with consultants being engaged to gather data on water supply and soils. There are several motives for this activity: an attempt to provide a suitable site for employees of two base metal mines; to provide for relocating an existing population, substantially of Indian origin; and to seek a satisfactory water supply for a provincial park. Sufficient information will likely be available early in 1967 to select a site for development.

While not a new townsite, Brunetville – a relatively small rehabilitation project in Kapuskasing – continues to be one of the foremost illustrations in Canada of what people can do themselves to improve their physical environment. With the promise of public services being installed and roads rebuilt in 1967, with financial assistance from the Province in moving houses, and with clear title to land in sight, the residents have spent \$300,000 (not including their own labour) to rebuild and improve their homes. Brunetville, which a few years ago was one of the poorest residential areas in the Province, is rapidly changing and will be, in one or two years, an example to arouse admiration.

Urban Renewal

The tremendous growth in urban renewal activity over the past several years is evident from the accompanying chart (1) and from these facts:

- Meetings of staff with municipal representatives either seeking information or actually involved in urban renewal studies and projects increased from 226 (1965) to 321 in 1966
- Studies are underway to define the extent, distribution and character of urban renewal problems in 23 municipalities. Seven studies were completed in 1966. Including those now underway, the total cost of these Part V, National Housing Act studies since 1958 is expected to be about \$1,000,000

ELIMINATION OF RESIDENTIAL BLIGHT



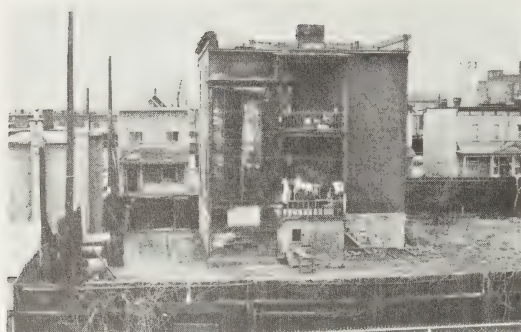
WINDSOR: *Substandard house in an area requiring clearance*

URBAN RENEWAL IN ONTARIO

<i>Action</i>	<i>1960</i>	<i>1961</i>	<i>1962</i>	<i>1963</i>	<i>1964</i>	<i>1965</i>	<i>1966</i>
Meetings	85	82	85	107	152	226	321
Urban Renewal Studies	—	1	2	2	3	10	23
Urban Renewal Schemes					1	8	21
Urban Renewal Projects	1	1	1	—	3	2	8
Redevelopment Area Designations	1	3	1	4	2	3	4

Chart (1)

OTTAWA — PRESTON STREET



*Housing conditions
before clearance*



New commercial high school and housing units



*New public
housing units*

PUBLIC HOUSING DEVELOPMENT IN URBAN RENEWAL

BEFORE: *Toronto – Alexandra Park*AFTER: *New housing units*

- Eight urban renewal schemes dealing with specific sites which required urban renewal action, commenced in 1966. These eight schemes – located in Fort William, Guelph, Newmarket, Neelon and Garson, Niagara Falls and Toronto – will likely cost about \$356,000, of which the provincial contribution will be \$90,000. They bring to 17 the number of scheme studies undertaken in 14 municipalities since 1964 at a total expected cost of \$831,000
- During the year, the Minister defined redevelopment areas in Ottawa, Hamilton, Sudbury and Toronto
- At the end of 1966, work – including land acquisition and clearance, building rehabilitation and construction of public facilities – was underway on eight projects in six municipalities. The estimated total commitment since 1958 is \$75,000,000, of which \$18,630,000 is the provincial portion. Total recoveries from sale of land and other sources are expected to be approximately \$16,000,000
- All municipalities with which the Province is associated in urban renewal projects have prepared the official plan amendments required as a basis for adopting maintenance and occupancy by-laws under Section 30a of The Planning Act. Drafts of the actual by-laws were prepared by 12 municipalities during the year

Manuals and Publications

Branch publications continue to be in demand by many persons and agencies interested in community planning. During 1966 staff handled more than 400 requests. As a result, many older reports, manuals and individual articles were updated and reprinted.

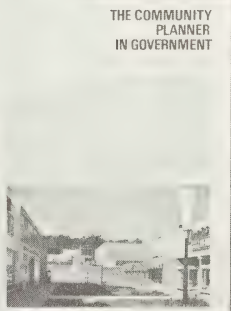
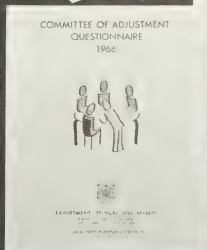
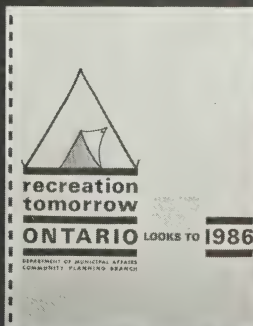
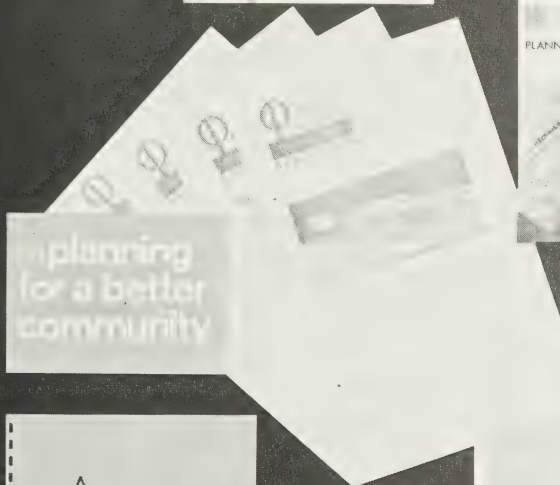
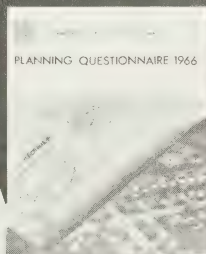
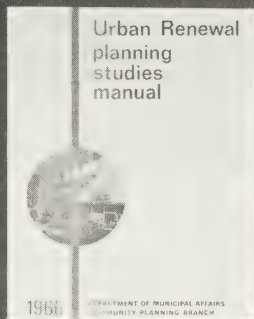
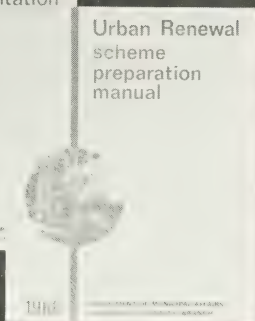
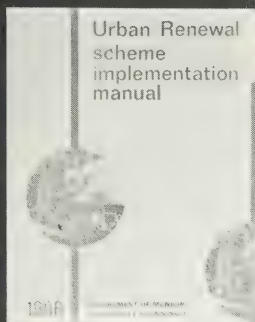
During the year new publications were prepared (see Department Publications).

In addition several reports on population and land use, containing results of extensive Branch field studies, were prepared for the Department of Highways for use in their highway needs forecasting program.

Metropolitan Toronto and Region Transportation Study

During the year staff served as members of the Technical Advisory Committee and of various sub-committees (Operational and Regional Development). They also conducted research assignments for the regional development portion of the Metropolitan Toronto and Region Transportation Study project.

In order to give information and to test methods used in the study, staff made presentations of the report (completed to that date) to various provincial government agencies, Executive Committee (MTARTS), Technical Advisory Committee (MTARTS) and planning directors within the study area during the year.



It is expected that the final report on regional development will be presented to the Executive Committee (MTARTS) early in 1967.

Department of Highways Studies

Through field investigation and office research, the Branch has collected and analyzed data on population and land use in the following areas of the Province:

- (1) Simcoe County;
- (2) Peterborough – Victoria, Durham, Haliburton and Northumberland Counties;
- (3) Kingston – Belleville area;
- (4) Waterloo area;
- (5) Muskoka – Parry Sound;
- (6) Bruce-Gray-Dufferin-Huron Counties.

This work, while done primarily for the Department of Highways, is used extensively by other agencies (Ontario Water Resources Commission, local government review commissions, Ontario Hospital Services Commission, Department of Municipal Affairs).

In addition, urban transportation studies of Chatham and Guelph were reviewed.

We were most fortunate to have had the use of the Department of Highways' electronic data processing equipment and programming staff in 1966 to tabulate and analyze the Branch questionnaires sent to all planning boards and committees of adjustment.

Nickel Basin Study

After discussion with municipalities and the Nickel Basin Planning Board, the Branch – with financial assistance from the Central Mortgage and Housing Corporation – engaged a consulting firm in 1965 to undertake a reconnaissance of an extensive area centering on Sudbury and including the Chelmsford and Blezard Valleys.

The objective was to define area development problems and issues as a basis for subsequent planning operations of the municipalities, acting individually and in combination through joint planning actions.

Several meetings were held between the consultants and the Advisory Committee (Central Mortgage and Housing Corporation, Community Planning Branch and Chairman, Nickel Basin Planning Board) during the year to review work in progress. A draft report has been completed and the final report should be available for publication and distribution early in 1967.

Official Plans

As noted in the chart (2), 11 new official plans were approved in 1966, making a total of 142 official plans – covering 167 Ontario municipalities.

The official plans approved in 1966 cover the following municipalities: West Ferris, Exeter, Brighton, Kingsville and District, Bolton, New Toronto, Maidstone, Markham Village, Penetanguishene, Leaside and Seneca.

It is now estimated that, while only 17% of all municipalities have official plans, these plans cover areas accommodating 72% of the total population of the Province.

Official plan amendments submitted for approval increased from 213 (in 1965) to 215. The amendments approved totalled 185 in 1966, in comparison with 168 in 1965.

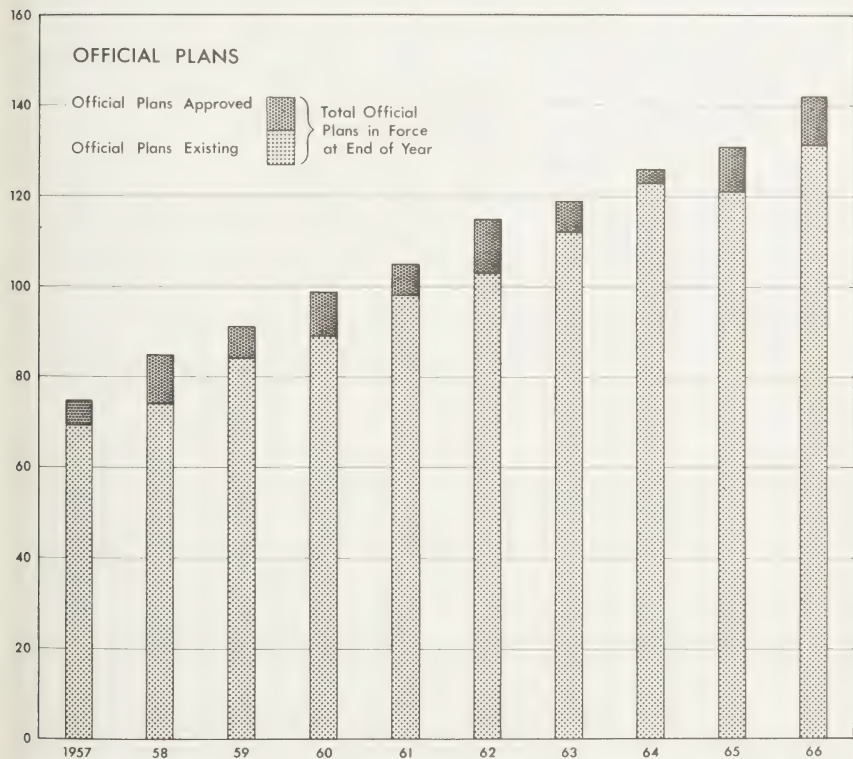


Chart (2)

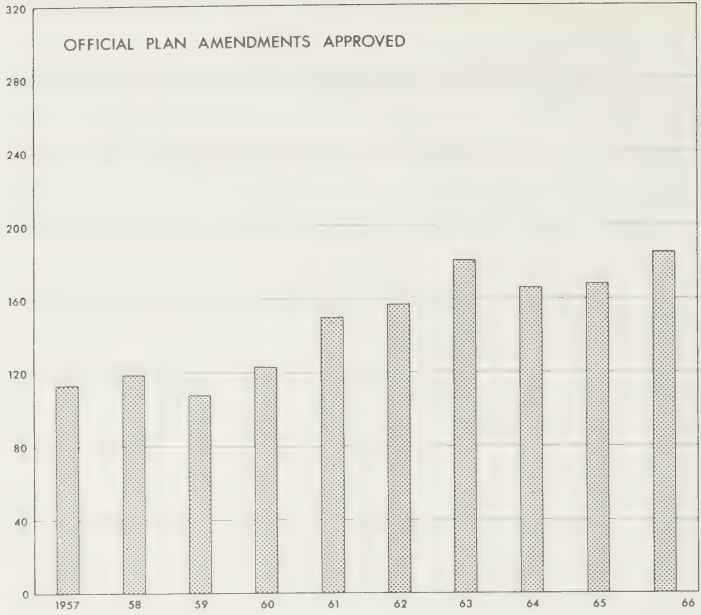


Chart (3)

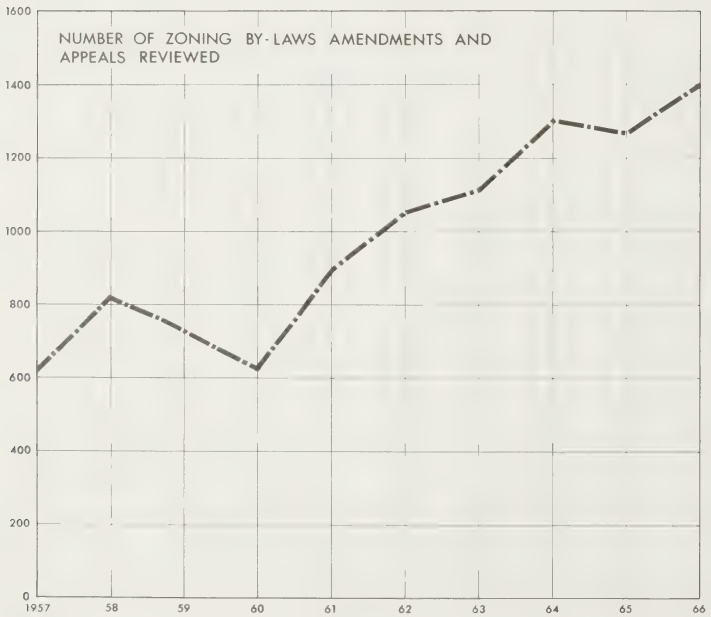


Chart (4)

Contrary to anticipation, there has been little interest in adding policies relating to maintenance and occupancy standards to official plans. Three such amendments were approved and four others are currently under review. Discussions have taken place with eight other municipalities considering the amendment of their official plans. This number is expected to increase by five or six in 1967.

An analysis was made of the time taken in processing amendments to official plans by the Branch (from date of submission to Minister's decision). This examination included all amendments (81) in 38 municipalities from January 1966 to August 19, 1966.

<i>Time</i>	<i>No. of Amendments</i>	<i>Percentage of Total</i>
One month or less	4	5%
One month to two months	41	51%
Two months to three months	31	38%
Three months to four months	5	6%
Over four months	0	—
	<hr/> 81	<hr/> 100%

The processing time is, of course, of great concern to the municipality involved. Every effort is made to reduce it to an absolute minimum and considerable improvement has been made. A series of meetings with all agencies, to whom amendments are submitted by the Minister for observation and recommendations, was commenced in 1966. It is hoped that these discussions will further reduce the time of processing.

Zoning By-laws

Chart (4) indicates that comments were made to the Ontario Municipal Board (with copies to the relevant municipality) on 1,400 zoning by-laws – an increase of 11% over 1965. This total has been rising steadily in recent years and has more than doubled since 1960.

As in the case of official plans, many municipalities and consultants have continued to submit drafts of comprehensive by-laws to the Branch for advice, prior to third reading and submission to the Ontario Municipal Board for approval. Fifty such drafts were reviewed. The Branch believes the staff time involved is well spent, since it is easier to introduce better standards or new techniques at the draft stage than after the by-law has been adopted by the municipal council and perhaps circulated to affected ratepayers.

Committees of Adjustment

Nine new committees were established during 1966, bringing the total number to 226.

Committee activities are generally divided into two components: dealing with applications for consent to divide land by metes and bounds description where a subdivision control by-law has been passed by council, and dealing with applications for variances from the provisions of zoning by-laws.

The Planning Act requires that a copy of decisions of the Committees be sent to the Minister. Branch staff review each decision during the available period for appeal, and decide whether an appeal from the Committees' decisions should be taken to the Ontario Municipal Board. During 1966, 105 appeals from decisions of Committees were taken to the Ontario Municipal Board, six by the Minister.

Chart (5) indicates the continuous rapid increase in both consent and variance applications dealt with by committees. Applications for variances from the provisions of zoning by-laws rose by 6.3% while applications for consents increased by 90% over 1965.

Activity	Year						
	1960	1961	1962	1963	1964	1965	1966
1. Number of Committees of Adjustment	67	74	96	104	122	219	226
2. Decisions of Committees Consents	Not applicable (no power to act)					3,229	6,242
3. Decision of Committees Variances	2,072	2,611	2,808	3,186	3,414	3,932	4,179
4. Rules of Procedure Approved by Minister	5	7	22	8	18	219	21
5. Consents dealt with by Minister — Section 26	284	311	363	331	395	1,469	3,097

Chart (5)

Subdivisions

During the presentation of the Department's estimates to the Legislature in 1966, the Minister expressed concern about the number of plans of subdivisions, designed for urban purposes, which were being proposed for development in predominantly rural districts and in municipalities which, for a variety of reasons, were not capable of handling the implications of urban growth. Concern was also expressed about the serious consequences of ribbon development along arterial roads and the tendency for urban growth to "leap frog" over undeveloped lands with resulting deterioration of extremely large areas for effective rural purposes, and excessively high public servicing costs.

In June, at the Association of Ontario Mayors and Reeves Conference in Sarnia, the Minister presented a statement of departmental policy on urban-type development in rural areas. This policy statement has been distributed widely to all municipal councils, planning boards, committees of adjustment and to many others associated with land subdivision in Ontario.

Following is a portion of his statement:

"As they relate to year-round urban development, these policies may be stated generally as follows:

1. Year-round, urban residential development should take place in municipalities that have adequate administrative organization to cope with urban problems; that are equipped for and are otherwise capable of providing and maintaining necessary urban services, including piped water, sanitary and storm sewerage, street maintenance, schools, and recreational facilities; and that have demonstrated a willingness to provide these services; and
2. Such development will be properly integrated in an existing urban community or in a new urban community that is to be developed in accordance with an official plan; and
3. There is reasonable assurance that an effective demand for such residential development exists or will exist by the time the development is available – making due allowance, of course, for a reasonable degree of flexibility of choice in the market; and
4. Appropriate land-use ("zoning") regulations are in force or will be in force by the time the development is ready for marketing.

"There are certain important, but limited exceptions to this general policy. These are:

1. Estate development at low densities, where provided for in an official plan and zoning by-law;

2. A limited amount of filling-in in existing development that might not conform with the general policy, particularly in hamlets and other small settlements on the periphery of urban communities, provided that the municipality recognizes and assumes its responsibilities for such development;
3. Where an official plan provides for some other form of urban development.

"... While the policy relates particularly to year-round residential development, it is to some degree applicable to other types of urban development and to seasonal residential use, such as summer cottages and ski cabins.

"The policy is not inflexible, but will be administered realistically and with a recognition that certain special circumstances may arise in some instances that will warrant a modification in the application of the policy."

One of the reasons for publicizing this statement widely was to reduce the number of persons acquiring land, with the expectation of subdividing, who find that their application cannot be approved due to inconsistency with departmental policy, with resulting substantial financial loss.

An examination of the 871 subdivision plans submitted for approval in 1966 indicates a large number of proposals at variance with the stated policy. A substantial portion of the 92 plans not recommended for approval were turned down due to inconsistency with the policy.

The 871 plans submitted in 1966 exceeded by 15% the number submitted in 1965. The number of plans actually approved, not recommended for approval or withdrawn by the applicant was 602, up 20% over 1965.

Of the plans submitted, 18 were referred by the Minister to the Ontario Municipal Board under Sections 28 and 34 of The Planning Act.

Since 1946, when The Planning Act was enacted, approximately 18,000 plans of subdivision have been submitted in response to either a real or imagined demand for building lots. Where the demand does not materialize, the applicant will not normally carry out the conditions of draft approval established as a prerequisite to final plan approval and subsequent registration.

The Minister, under Section 28 of The Planning Act, has the authority to withdraw his draft plan approval. He has done so with increasing frequency during recent years, where the applicant has not acted to register the plan within a reasonable period of time after draft approval. During 1966, the Minister withdrew his draft approval of 258 plans of subdivision, compared with 79 in 1965 and 39 in 1964.

During the year, 25 new subdivision control by-laws were enacted and 162 amendments to existing by-laws were approved by the Minister, an increase of 30% over 1965.

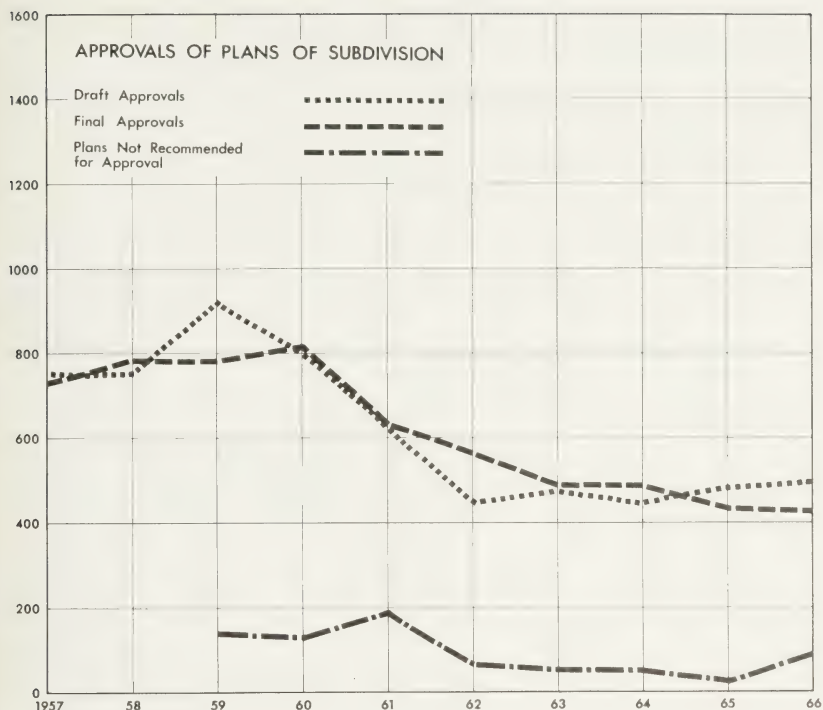


Chart (6)

Minister's Consents

Where a Minister's Order relating to subdivision control has been made, or where the municipality has adopted a subdivision control by-law but has not established a committee of adjustment, all applications to divide land by metes and bounds description must be submitted to the Minister for approval.

In 1966 a total of 3,097 applications for consent were directed to the minister for approval – an increase of about 110% over 1965, and a seven-fold increase over 1964.

Of the 3,097 applications, 188 were not recommended for approval. The largest number not approved were applications to create sites for permanent urban occupancy at some distance from existing urban settlements. This action is consistent with the Minister's statement relating to provincial policy on the distribution of urban uses in rural areas.

Other Activities

- Graphic plotting of subdivision and consent granting activity
- Reports to the Ontario Municipal Board on annexation and other municipal boundary changes
- Municipal boundary plotting and quieting orders
- Orientation visits by new planning staff of municipalities
- Preparation of maps and charts for local government studies
- Preparation of posters, maps and other illustrations for workshops, exhibitions and conferences
- Participation on various inter-departmental and inter-governmental committees
- Examination of proposals to construct pipe lines
- Examination of all proposals to close roads leading along or to water
- Review of proposals to sell 5% lands secured under Section 28 of The Planning Act

MUNICIPAL ACCOUNTING BRANCH

General Responsibilities

- To conduct studies and applied research into the development of the municipal accounting and reporting principles and practices applicable to Ontario
- To make available to municipal treasurers and auditors the advice and assistance of a trained and experienced officer on day-to-day municipal accounting, reporting, auditing, budgeting and finance problems
- To assume responsibility for special problems which arise out of the accounting, reporting and financial operations of municipalities or local boards
- To review the annual audited financial statements of the 974 municipalities in the Province and their local boards, and discuss them with the treasurer and auditor. This helps improve reporting standards and facilitates financial analyses and comparisons of the information which is published in summary form
- To promote the use of accepted municipal auditing standards and techniques

Municipal Finance Reporting

Highlight of the year was the Minister's statement concerning municipal finance reporting in Ontario. Mr. Spooner noted the significant effect on municipal finance reporting in Ontario as a result of the recent marked increase in the magnitude and complexity of local government activities. The Minister enumerated major problems currently existing in this area and stated some of the steps which were being taken to cope with them, e.g.:

- The professional staff of the Municipal Accounting Branch has been enlarged
- Municipal accounting advisors are being located in the Department's regional offices across the Province

- A study group, composed of the Department's senior officers and consultants, has been established to identify and, ultimately, to review all major problems of municipal accounting and reporting in Ontario
- The Institute of Chartered Accountants of Ontario and the Association of Municipal Clerks and Treasurers of Ontario have appointed committees of members to advise and assist the study group
- A Provincial Committee of senior accounting, finance and economic officers has been established to analyze all questionnaires forwarded to the municipalities by any Provincial or Federal agency, in an attempt to simplify and eliminate any duplication in content
- The Department is extending financial and other resources to assist the Association of Municipal Clerks and Treasurers of Ontario with the cost of revising its Training Course, thus contributing to the stature and recognition of local government officials

Municipal Accounting Research

In 1966 the Study Group, comprising senior officers of the Municipal Accounting and Finance Branches and the consultants, completed its proposals for the revision of the prescribed annual financial statements of municipalities. During the year the Branch conducted four meetings with the Advisory Committees, appointed by the Institute of Chartered Accountants of Ontario and the Association of Municipal Clerks and Treasurers of Ontario, to obtain their views on the proposals contained in the Study Group's two major reports.

Accounting and reporting improvements were discussed with the Committees on such matters as:

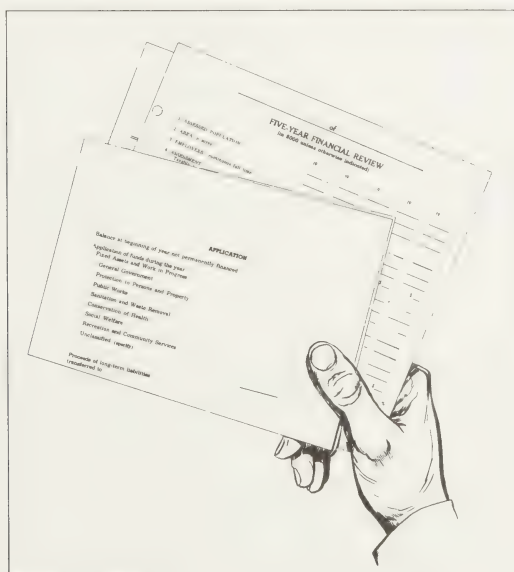
- The development and application of principles upon which the financial affairs of a municipality may be consolidated for financial statement purposes
- The method of reporting capital fund transactions, long-term liabilities and related debt charges
- The definition of a capital expenditure
- The reporting of capital and revenue fund assets and liabilities in a combined balance sheet
- The treatment of capital levies
- The basis of reporting revenues and expenditures of the revenue fund

In addition, the Advisory Committee discussed in detail the proposed form and content of the Study Group's revised financial statements for municipalities.

As the first concrete step to overcome municipal finance reporting problems, the following two new statements were introduced into the 1966 prescribed financial statements of the municipalities:

- The Statement of Source and Application of Capital Funds, which is a financial reporting document designed to disclose the continuity of capital funds for the financial year under review. It comprises four major elements:
 - (1) The over or under-expended position of capital funds at the beginning of the year;
 - (2) A classification by source of funds acquired for capital purposes during the year;
 - (3) A classification by function of capital expenditures incurred during the year; and
 - (4) The over or under-expended position of capital funds at the end of the year
- The Five-Year Financial Review, which is designed to disclose – in capsule form – the salient features of a municipality's financial position during the five-year period ending with the current year

Instructions were provided to explain the preparation and use of these two statements. The information reported for the first time in these statements will greatly assist municipalities in determining their financial policies. It will also meet an acute need in the financial community for information concerning the capital fund transactions of the municipalities.



Advisory Services to Treasurers

The Branch has greatly expanded its program of providing advisory services to municipal treasurers on municipal accounting and reporting problems. During 1966 municipal accounting advisors visited 394 municipalities. The more frequent problems encountered were:

- The method of calculating many differing and complex mill rates including residential and commercial mill rates, sewer service rates and special area rates
- Inadequate funds for financing revenue fund expenditures pending the receipt of revenues
- An appraisal of the financial effects of proposed annexations, amalgamations or incorporations
- Inadequate procedures for preparing and adopting the estimates, and the billing and collection of taxes
- The corrective measures required to resolve problems of deficit financing or a weak financial position
- The financial relationship between a police village and a township
- The allocation of the cost of joint capital projects between participating municipalities on an equitable basis

In a substantial number of municipalities, the treasurer has neither the training nor the experience required to fully discharge his responsibilities in municipal accounting and reporting. As a result, the municipal auditor has had to assume responsibility for balancing and closing the account books and preparing the municipality's annual financial statements.

One of the Branch's most important functions is to assist the municipal treasurer to assume these responsibilities and the Minister has authorized the development of appropriate programs. Accordingly, the Branch completed arrangements to conduct a series of municipal accounting seminars across the Province in January 1967 for municipal treasurers and their staffs.

Review of Annual Financial Statements

Every municipality in the Province files with the Department a copy of the financial statements of the municipality and its local boards, and the auditor's report. The financial statements and auditors' reports received for the 974 municipalities ranging from the City of Toronto to the very smallest municipality were reviewed to:

- Ensure, as far as possible, that the statements were prepared, as prescribed by the Department, to promote comparability, uniformity and to facilitate inter-municipal comparisons

- Perform a limited review of the municipality's financial position
- Ensure, as far as possible, that the provisions of the statutes have been complied with
- Ascertain if the municipality could benefit from the advisory services of the Branch

More complicated problems arising from a review of the financial statements were dealt with by a telephone call or personal visit.

Legislation

Where it appears that in the interests of more efficient financial administration the existing legislation should be amended or new legislation instituted, the Branch examines the probable and possible effects of such legislation. Thus, the amendment receives proper consideration, and support where desirable.

Examples of such amendments to The Municipal Act are:

- Section 329, which imposes a limit on the temporary borrowing of a municipality, was amended to make it clear that a municipality may borrow by way of notes and repay such notes during the year as frequently as it wishes, providing the total amount outstanding at any one time does not exceed 70% of the uncollected balance of the municipality's estimated revenues
- Section 330 was amended to clarify the authority for a municipality to borrow in order to finance that portion of the capital cost of a project which will be subsequently recovered as a subsidy or grant

Municipal Auditors

BRANCH RESPONSIBILITY:

The Branch is responsible for administering those sections of the statutes which provide for the audit of the accounts of every municipality and local board. In this regard, the Branch:

- Prescribes a minimum standard of audit procedure for municipal accounting practices
- Maintains a licensing system for municipal auditors
- Examines the auditor's reports and completed questionnaires relating to the audited financial statements of municipalities and local boards to determine if the audit has been conducted, and the financial statements prepared, in accordance with Department instructions and generally accepted municipal auditing and accounting principles



ADVISORY SERVICES

During 1966 Branch staff visited 103 municipal auditors to discuss matters arising from municipal audits, problems in preparing municipal financial statements, or qualifications in the auditors' reports.

To assist the municipal auditors with the two new statements introduced in 1966, and to acquaint them with proposals for revising the financial statements of municipalities in 1967, Branch staff conducted seven municipal accounting seminars during December. These were held at Ottawa, Belleville, Toronto, Hamilton, London, Windsor and Sudbury. The response was excellent with 243 public accountants attending, representing 120 firms.

Service to Others

The Branch continued to maintain a close liaison with other government departments concerning municipal accounting, reporting and other related problems. Many discussions were held, particularly with the Departments of Education and Welfare.

The Branch is represented on two inter-departmental committees. One is reviewing assessment in unorganized areas and the other is examining municipal finance reporting in Ontario.

MUNICIPAL FINANCE BRANCH

General Responsibilities

- To analyze the financial structure, resources and practices in local government as a basis for promoting sound municipal financial development in Ontario
- To analyze the financial status of individual municipalities as a service to municipal financial management and as a basis for research
- To study the many aspects of municipal finance
- To collect, compile and publish municipal finance data as an information service to the public, governments and financial institutions
- To secure the development and growth of the Ontario Municipal Employees Retirement System (OMERS)
- To administer the statutory provisions which authorize a municipality or local board to provide pensions or fringe benefits for its employees
- To make an advisory service available to municipalities who require advice and assistance in the administration of their long-term debt
- To administer the lending activity of the Ontario Education Capital Aid Program

Financial Analysis for Municipalities

Municipalities sought Branch assistance in dealing with practical financial problems whose complexity necessitated independent analysis and appraisal. Examples of such problems are:

- Examination of a program designed to accelerate capital works during a five-year period. Particular attention was paid to stabilizing the tax rate, phasing the work to make the best use of the municipality's financial resources, and the implications of a capital levy
- Preparation of estimates and assistance with the financial administration of an extensive redevelopment project involving the allocation of costs between Canada, Ontario and the municipality and the method by which the municipality recovered its share

- Examination of a municipality's debt in relation to its apparent financial and economic resources, in order to assess its capacity to incur further borrowing to finance capital works
- Analysis of a municipality's financial position to facilitate appraisal of its capital budget and five years' capital forecast

Financial Analysis and Research

During 1966 the Branch continued to analyze specific aspects of municipal finance.

STUDY OF MUNICIPAL DEBT

The financing of municipal projects by borrowing has received continuous study. Particular efforts have been made to establish a measure of a municipality's ability to bear the continuing cost of debt by reference to its economic and financial resources. The following table compares the growth of municipal resources as represented by taxable assessment:

Year	Amount		Index of change (1955 = 100)		Gross Debt as a Percentage of Taxable Assessment %
	Taxable Assessment \$'000,000	Gross Debt \$'000,000	Taxable Assessment	Gross Debt	
1955	6,567	767	100	100	11.7
1956	7,196	882	110	115	12.3
1957	7,922	1,018	121	133	12.9
1958	8,206	1,170	125	152	14.3
1959	8,847	1,305	135	170	14.8
1960	9,413	1,462	143	191	15.5
1961	9,861	1,578	150	206	16.0
1962	10,751	1,700	164	222	15.8
1963	11,299	1,831	170	239	16.2
1964	11,867	1,985	181	259	16.7
1965	12,359	2,114	188	276	17.1

STUDY OF SUBSIDIES

The nature, amount and significance of moneys transferred through the Department by the Province to municipalities has been studied.

STUDY OF TAXES LEVIED

The following table illustrates the progressive change in the composition of the realty and business taxes levied.

<i>Year</i>	<i>Total Municipal and Education Taxes Levied \$'000,000</i>	<i>Analysis by Percentage</i>			
		<i>Municipal Purposes %</i>	<i>Public %</i>	<i>Separate %</i>	<i>Secondary %</i>
1955	336	58.4	26.2	3.1	12.3
1956	382	57.0	26.9	3.3	12.8
1957	431	56.9	26.6	3.3	13.2
1958	466	57.5	26.0	3.1	13.4
1959	525	55.8	26.4	3.5	14.3
1960	587	55.6	26.5	3.5	14.4
1961	641	55.1	25.8	3.5	15.6
1962	690	54.9	24.6	3.4	17.1
1963	745	54.7	24.2	3.3	17.8
1964	805	54.7	23.3	3.2	18.8
1965	877	55.3	23.2	3.2	18.3

DIFFERENTIAL RATES OF TAXATION IN METROPOLITAN TORONTO

The Branch made a detailed study of some of the financial effects of implementing the policies recommended to the Government by the Royal Commission on Metropolitan Toronto. It was ascertained that, in certain areas, amalgamation with another area municipality would result in a substantial increase in certain mill rates. The extent of the increases was carefully estimated and analyzed between municipal general, public school and secondary school purposes.

In the legislation that re-constituted Metropolitan Toronto, provision was included for a system of differential tax rates in certain municipalities within the area.

Reports and Information

The Branch collected, collated and published significant financial data about municipalities. It supplied financial information to government departments and agencies, municipalities, individuals and interested organizations including universities and other bodies employed on research into municipal finance.

MUNICIPAL STATISTICS

The Branch prepared the Annual Report of Municipal Statistics for 1965.

The Report, which summarizes the audited annual financial statements, is the major source of information about the finances of municipalities in Ontario. It contains a comprehensive statement of financial data for each of the municipalities and demonstrates significant trends in population, assessment, municipal taxation, provincial subsidies, tax collection and debenture debt.

The Branch is currently conducting intensive research into the form and content of the Report, in order to:

- Make the fullest practicable use of the data that will be available from revised financial statements
- Present meaningful data with the greatest possible clarity to facilitate its interpretation and use

ANNUAL RETURNS

The Branch continued a systematic review of annual returns to ensure that the maximum of useful and meaningful information is obtained, while minimizing the burden of municipal reporting.

In 1966 four returns submitted by county clerks were critically studied and their content was discussed with county officials. The returns contained extensive detailed information concerning officers, committee and local board membership, the assessment and analysis of the county rate. As a result of the study only two returns will be required in 1967. One contains an abridged analysis of the county rate and the assessment used in its apportionment. The other relates to officers of a county, local boards and the council's committee structure and is consistent with a similar return submitted by local municipalities.

MUNICIPAL DIRECTORY

The Branch compiled and published the 1966 Municipal Directory. It catalogues basic information about municipalities, their elected and appointed senior officials and officials of this Department, and indicates the member of the Legislature who represents each municipality. Circulation is approaching 8,000.

Pensions for Municipal Employees

Early in 1966, the Branch reviewed the provisions of pensions for municipal employees in Ontario, taking particular account of:

- The effect of the Canada Pension Plan on municipal pensions

- The desire of municipal employees to increase the levels of pension benefits
- The steady growth in membership of the Ontario Municipal Employees Retirement System

Following this the Branch helped develop appropriate amending legislation. The Municipal Act was amended to provide employees with improved pension benefits. A complementary amendment of the Ontario Municipal Employees Retirement System Act enables benefits, within the limits prescribed by The Municipal Act, to be made available to the members of OMERS through a combination of basic and supplementary pension benefits.

Amendments to approved pension plans under The Municipal Act, providing for improved benefits integrated with the Canada Pension Plan, have been examined and approved. Regulations and administrative procedures necessary for the provision of supplementary benefits by OMERS are being prepared by OMERS and the Branch.

The Branch has continued to foster the development of OMERS. In 1966, the normal continuing increase was augmented by approximately 8,500 employees of municipal hydro and other utility commissions. At the end of the year there were 42,000 members in the System comprising the employees of 376 municipalities and 483 local boards.

Fringe Benefits

The Branch studied the apportionment of fringe benefits cost between municipalities and their employees. Amendment of The Municipal Act has increased the contribution that a municipality may make from one-half to two-thirds of the cost of such fringe benefits as group life, sickness, accident, medical and hospital insurance.

Ontario Education Capital Aid Program

The Branch administers the day-to-day lending activities of The Ontario Education Capital Aid Corporation. The Corporation, established in accordance with The Ontario Education Capital Aid Corporation Act, may purchase debentures which municipalities or school boards issue to finance elementary or secondary school board undertakings. It uses funds borrowed by the Province from the Canada Pension Plan.

The activity involves transferring substantial sums of money between the levels of government. The Branch has established standardized procedures to complete such transfers for the benefit of borrowers. It furnishes information and advice to prospective borrowers and gives direct assistance to them including:

- Supplying the borrower with an appropriate draft debenture by-law,

the form of which has previously been approved by the Ontario Municipal Board

- Preparing the debenture and sending it to the borrower for execution
- Guiding and supervising the progress of transactions

These services enable borrowers to obtain funds from the Corporation at substantially lower administrative costs than if their funds were borrowed on the public money market.

The rate of interest payable on debentures purchased by the Corporation will vary from time to time. It will be slightly above the rate at which Ontario borrows from the Canada Pension Plan and substantially below the rate at which a municipality can borrow on the public money market. The interest rate on all debentures purchased in 1966 was $5\frac{1}{2}\%$.

Before the Corporation was created, some municipalities tended to delay the issue of debentures because of high interest rates. The consequent accumulation of demand for funds and the widespread need for new school accommodation combined to generate a high level of activity when funds became available in May at more favourable rates of interest.

ACTIVITY FROM MAY 20 TO DECEMBER 31, 1966

	<i>Offers Received</i>		<i>Debentures Purchased</i>	
	<i>Number</i>	<i>Amount \$'000</i>	<i>Number</i>	<i>Amount \$'000</i>
Metropolitan Toronto, Cities	41	71,992	24	58,932
Towns, Villages	81	21,129	55	14,983
Townships, Improvement Districts, Counties	157	53,647	88	31,618
School Boards	103	27,808	58	15,564
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	382	174,576	225	121,097

MUNICIPAL SUBSIDIES BRANCH

General Responsibilities

The general responsibility of the Municipal Subsidies Branch is to administer most of the loan, shared-cost and subsidy programs, for which the Department is responsible, by:

- Maintaining a thorough knowledge of those Acts and Regulations which authorize payment of the subsidies and, where necessary, recommending amendments
- Keeping abreast of the related administrative and accounting practices of the municipalities and the Province
- Developing the policies and procedures used to administer the subsidy programs and preparing instructional material for distribution to the municipalities
- Maintaining liaison with federal, provincial and municipal officials, concerning all aspects of the programs
- Verifying the claims submitted by the municipalities and local boards. In many cases, this includes examining accounts and records of the municipalities and certain local boards

The Municipal Works Assistance Program

The Municipal Works Assistance Program was a federal-provincial-municipal program to increase employment from November 1, 1963 to March 31, 1966, by making loans available to municipalities and school boards if they augmented or accelerated capital works projects.

In 1966 the program was extended from March 31, 1966 to September 30, 1966.

A total sum of \$136,769,548 was available under this program. This was fully committed by the Province to participating municipalities and school boards by March 31, 1966.

The loan, not to exceed two-thirds of the eligible cost of the project, carries interest at varying rates, according to the date of commitment, as follows:

<i>Period</i>	<i>Rate of Interest</i>
January 1 to December 31, 1964	5¾ %
January 1 to June 30, 1965	5¼ %
July 1 to December 31, 1965	5¾ %
January 1 to March 31, 1966	5½ %

The repayment of 25% of the principal amount of the loan is subject to forgiveness, as related to costs incurred prior to October 1, 1966.

SCHEDULE OF LOANS

<i>Type of Project</i>	<i>Number</i>	<i>Amount of Loan \$'000</i>
Municipal		
Buildings	77	10,402
Arenas, skating rinks and pools	39	3,699
Water, sewage and drainage facilities	182	19,387
Roads, streets and sidewalks	96	7,983
Bloor Danforth Subway — Metropolitan Toronto	1	29,482
Unclassified	19	5,724
	<hr/> 414	<hr/> 76,647
Schools	275	60,123
	<hr/> 689	<hr/> 136,770

PROGRAM PARTICIPATION ANALYSIS

		<i>Municipalities Participating</i>	<i>Percentage of total of class</i>
<i>Municipalities</i>	<i>Total</i>	<i>Number</i>	
Metropolitan Toronto, cities, towns and villages	337	106	31
Townships, improvement districts and counties	624	60	10
	<hr/> 961	<hr/> 166	<hr/> 17
School boards		143	
		<hr/> 309	

PROGRAM AS AT DEC. 31, 1966

	<i>Number of Projects</i>	<i>Estimated Amount of Loan \$'000</i>
Commitments to Make a Loan issued	689	136,770
Projects verified	514	90,862
Loans made	411	74,949
Forgiveness granted	365	10,548

The Centennial Grants Program

This federal-provincial-municipal program was introduced to encourage municipalities to observe Canada's Centennial with local projects of a suitable and lasting nature.

Every local municipality is entitled to a grant, up to \$1 per capita, from both Canada and Ontario, toward the cost of an eligible project. However, the municipality must also contribute an amount at least equal to the Province's contribution.

SCHEDULE OF GRANTS

<i>Type of Project</i>	<i>Number</i>	<i>Estimated Amount of Grants \$'000</i>
Parks and playgrounds	336	3,669
Buildings, usually a modification to provide for broader community activities	118	830
Libraries and museums	100	1,281
Community and cultural centres	97	2,792
Arenas, skating rinks and pools	61	2,635
Publications of local histories	20	89
Buildings of architectural or historic significance	3	492
Unclassified	19	66
	<hr/> 754	<hr/> 11,854

PROGRAM AS AT DEC. 31, 1966

	<i>Amount</i>	<i>Estimated Amount of Grants \$'000</i>
Applications received	754	11,854
approved	667	9,760
Projects verified	150	1,515
Payments made	286	3,701

The Winter Works Incentive Program

The main purpose of this federal-provincial-municipal program is to stimulate employment during the wintertime, by shifting municipal projects from summer to winter.

Municipalities were urged to give priority to projects which would provide the most employment. Winter unemployment has been a serious problem and the program has required and received the active co-operation of the municipalities.

The 1965-1966 program covered the six-month period from November 1, 1965 to April 30, 1966.

Municipalities receive a reimbursement of 50% from Canada and 25% from Ontario on direct payroll costs incurred on accepted projects. A municipality within a Designated Area or Area of High Winter Unemployment may receive an additional 10% from Canada and 5% from Ontario.

REIMBURSEMENT TO MUNICIPALITIES (1964-1965 PROGRAM)

<i>Type of Project</i>	<i>Number</i>	<i>Amount \$'000</i>
Roads, street and sidewalks	235	814
Water, sewage and drainage facilities	330	5,619
Parks and playgrounds	205	1,152
Buildings	141	1,754
	<hr/> 911	<hr/> 9,339

PROGRAM PARTICIPATION FOR SELECTED PERIODS

Program	Number				Reimbursement Ontario		Index (1) of Change
	Municipalities	Pro- jects	Man-days of work '000	Direct Payroll Costs \$'000	Canada \$'000	Amount \$'000	
1958-59	186	579	310	3,990	1,995	945	100
1962-63	346	1,264	794	13,866	6,933	3,320	351
1963-64	343	1,084	604	10,921	5,599	2,622	277
1964-65	296	911	632	12,514	6,365	2,974	315
1965-66 (2)	315	820	650	13,850	7,100	3,400	360
(1) 1958/59 = 100							
(2) Estimated							

The Municipal Unconditional Grants Act

This Act authorizes the payment of three different subsidies:

(1) THE UNCONDITIONAL PER CAPITA GRANT:

This grant, based on a determined population, is made by the Province to assist each municipality with the cost of providing municipal services.

The determined population is based on the latest census of the municipality published by The Dominion Bureau of Statistics, less the number of persons living within the municipality in institutions, in defence establishments, on an Indian Reserve or who were, at census time, transients or temporary residents.

Under certain circumstances this population figure is re-determined. This is based upon either an increase or a decrease in the municipal population, according to the last local assessment census. It arises from either the customary increases or decreases in the population of a municipality or as the result of an annexation or amalgamation order.

The grant, which ranges from \$2 to \$5.50 per capita, must be applied to reduce the taxes levied against residential and farm assessment.

PAYMENTS 1962-1966

	1962	1963	1964	1965	1966
Amount (\$'000)	24,298	24,476	24,652	25,576	26,080

(2) HOSPITALIZATION OF INDIGENTS:

The Act authorizes the payment of a grant to meet a substantial portion of the expenditures incurred by a municipality to provide hospitalization to indigents.

The annual grant is calculated at 80% of the municipality's expenditures on behalf of indigent persons in the previous year, including premiums payable to the Ontario Hospital Services Commission. To encourage the municipality to recover the costs involved from persons legally responsible, the Act authorizes it to retain 50% of any amount so recovered.

PAYMENTS 1962-1966

	1962	1963	1964	1965	1966
Number of municipalities	183	190	202	210	221
Amount (\$'000)	\$1,815	\$1,957	\$1,999	\$1,961	\$2,013

(3) ADMINISTRATION OF JUSTICE IN A COUNTY WITH AN INDIAN RESERVE:

The Act authorizes a subsidy to a county in which an Indian Reserve is located. The payment is \$1 per capita of the population of the Indian Reserve. This grant assists the county with its costs for the administration of justice.

PAYMENTS 1962-1966

	1962	1963	1964	1965	1966
Amount (\$'000)	13	13	13	13	13

The Fire Departments Act and The Police Act

To encourage municipalities to maintain adequate fire and police forces and to provide pensions for full-time firefighters and members of police forces, these Acts authorize a subsidy payment to eligible municipalities. This is based on the municipalities' contributions to pension funds and in respect of Workmen's Compensation for such employees.

The Police Act was amended in 1965 to include necessary assistants and civilian employees as members of the police force, in addition to the regular uniformed staff.

The rate of subsidies on these costs is as follows: 25% where the population is less than 10,000; 20% where the population is from 10,000 to 24,999; 15% where the population is from 25,000 to 69,999 and 10% where the population is 70,000 and over.

PAYMENTS 1962-1966

	1962	1963	1964	1965	1966
The Fire Departments Act					
Number of municipalities	306	311	315	322	289
Amount (\$'000)	197	150	286	269	281
The Police Act					
Number of municipalities	182	186	193	175	202
Amount (\$'000)	277	286	320	361	416

The Drainage Act

This is, essentially, a rating Act which authorizes a municipality to construct and repair a drainage work and to finance and rate its cost against the benefitting owners. It also authorizes payment of a grant on the cost of drainage work on agricultural land.

The municipality is generally entitled to a grant equal to a percentage of the approved cost of a project. In a county it is 33 1/3%, in a district 66 2/3%. If the Province undertakes a drainage work in an area without municipal organization, a grant up to 80% of the cost may be paid.

The Branch is chiefly concerned with the administration of the grant sections of the Act and with problems in the apportionment of the projects' cost to those who benefit.

PROGRAM PARTICIPATION 1962-1966

	1962	1963	1964	1965	1966
Number of municipalities	127	124	118	110	137
applications for projects, approved	643	518	449	401	487
Amounts paid on completed projects (\$'000)	774	625	599	608	391

The Municipal Tax Assistance Act

The Act authorizes payments to the municipalities in lieu of taxes, on certain Provincial properties, to be determined at the commercial mill rate for general municipal purposes. A municipality is generally entitled to a payment in lieu of taxes on land and buildings owned and occupied by Ontario and used for legislative, executive and administrative purposes. Payments in lieu of taxes are not made to municipalities on land and buildings used for a number of purposes, such as: education, hospitalization, reform institutions, parks, forests and certain other types of public use.

During the last five years, there has been a steady increase in provincially owned properties eligible for payments in lieu of taxes.

PAYMENTS 1962-1966

	1962	1963	1964	1965	1966
Amount (\$'000)	1,243	1,496	1,614	1,938	2,488

The Planning Act

Under this Act, the Province may enter into an agreement with a municipality to provide assistance toward the cost of urban renewal. The Ontario share of the assistance is equal to 25% of the eligible cost of the project while Canada, under separate agreement, provides 50% of such cost.

Because of the close relationship between urban renewal and community planning, the amount of a municipality's eligibility for assistance under the federal-provincial-municipal program is determined by the Community Planning Branch.

PAYMENTS 1962-1966

	1962	1963	1964	1965	1966
Number of municipalities	3	4	4	5	7
Grants (\$'000)	903	735	995	1,229	1,208

The Assessment Act

This Act authorizes payments for three programs:

(1) PAYMENTS TO MINING MUNICIPALITIES:

The Municipal Organization and Administration Branch is responsible for determining entitlement for these payments.

PAYMENTS 1962-1966

	1962	1963	1964	1965	1966
Number of municipalities	59	59	59	59	59
Amount (\$'000)	5,506	5,909	6,022	5,808	5,869

(2) ASSISTANCE FOR REGIONAL ASSESSMENT:

This Act provides for a subsidy to a county or municipality in a district which adopts the regional assessment system. Assistance is granted toward the salaries of assessment officers and staff and towards the purchase price or rental of office equipment.

PAYMENTS 1962-1966

	1962	1963	1964	1965	1966
Number of Counties	38	38	37	37	38
Districts	—	—	—	1	4
Amounts * (\$'000)	57	66	58	127	281

* Includes \$1,500 toward the salary of each county assessor

(3) TENANT OCCUPIED PROVINCIAL PROPERTY:

Provincial properties rented to tenants are not exempt from municipal taxation.

TAXES PAID 1962-1966

	1962	1963	1964	1965	1966
Amount (\$'000)	212	528	514	497	460

Other Subsidies

PAYMENTS 1962-1966

	1962	1963	1964	1965	1966
Amount (\$'000)	11	12	11	10	11

Administration

Branch officers are responsible for administering one federal-provincial loan program, three federal-provincial subsidy programs and nine provincial subsidy or grant programs.

Under these programs, \$37 million was loaned to municipalities and separate school boards in 1966, and \$54 million was transferred to municipalities in 1966 as a subsidy or grant.

To establish eligibility for entitlement, with one exception, the municipality or separate school board must file an application or claim with the Branch. Branch officers accept, or reject, each application or claim on behalf of the Province. This requires a thorough knowledge of the Acts, regulations and the terms and conditions of each program. It also involves correspondence and discussions with municipal officials throughout the Province.

Branch officers assist local officials in preparing claims and applications, particularly regarding loans under the Municipal Works Assistance Program. In the latter case, the Branch prepares the form of the debenture by-law and its schedules, secures prior approval of the Ontario Municipal Board to this by-law, furnishes the debenture to be issued and co-ordinates all aspects of the loan.

SUMMARY OF SUBSIDIES

For the fiscal years ended March 31st
(in thousands of dollars)

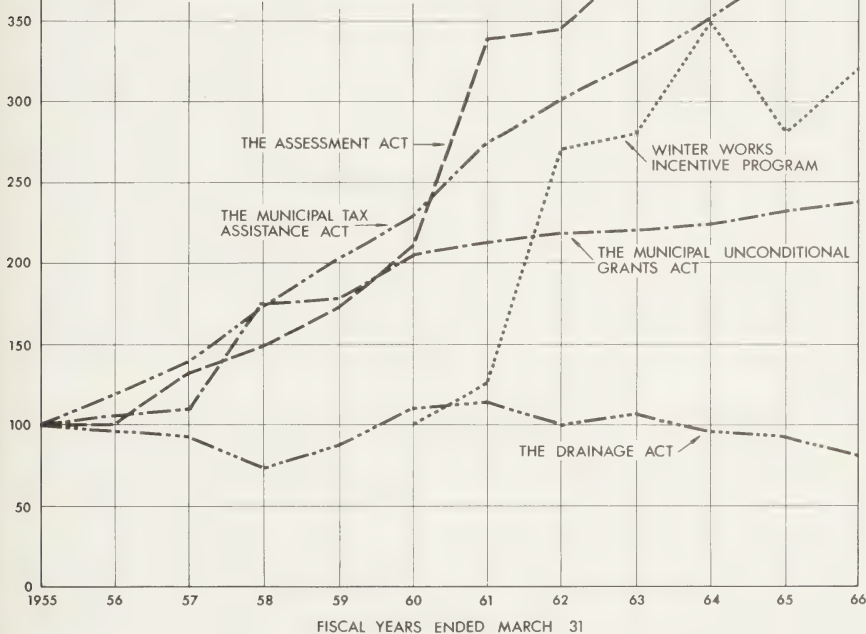
	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
The Municipal Unconditional Grants Act unconditional per capita, hospitalization of indi- gents, and administration of justice on an Indian Reserve	11,638	12,396	12,702	20,670	20,962	23,996	24,979	25,509	25,761	26,240	27,234	27,642
The Assessment Act payments to mining municipalities, assistance towards the cost of a system of regional assess- ment and tax payments on provincially-owned, tenant-occupied properties	1,540	1,545	2,050	2,330	2,682	3,302	5,227	5,281	5,958	6,591	6,571	5,969
The Municipal Tax Assistance Act payments in lieu of taxes	448	530	628	788	922	1,035	1,232	1,354	1,477	1,584	1,710	1,875
Unclassified payments under The Fire Departments Act and The Police Act and fox bounties	237	254	290	298	334	389	419	441	468	495	571	640
	13,863	14,725	15,670	24,086	24,900	28,722	31,857	32,585	33,664	34,910	36,086	36,126
The Drainage Act	709	689	669	530	611	789	800	702	753	684	664	567
The Winter Works Incentive Program (1)					889	2,925	3,620	7,950	8,186	10,269	8,234	9,342
The Planning Act assistance toward urban renewal							775	560	1,207	374	1,037	1,226
The Confederation Centennial Act (1)											76	1,398
	709	689	669	530	1,500	3,714	5,195	9,212	10,146	11,327	10,011	12,533
Total	14,572	15,414	16,339	24,616	26,400	32,436	37,052	41,797	43,810	46,237	46,097	48,659

(1) Includes the Federal contributions

PERCENTAGE
450

THE DEPARTMENT OF MUNICIPAL AFFAIRS

PERCENTAGE INCREASE IN CERTAIN SUBSIDIES
FROM 1955 TO 1966 INCLUSIVE
1955 = 100 PERCENT



Verification

The Branch is responsible for verifying all claims for a loan, subsidy or grant. This usually involves visits to the municipal offices. Where the cost of a project is being subsidized, Branch officers examine account books and records of the contractors responsible for construction.

The Branch has had difficulty recruiting qualified officers. To meet some of its problems it engaged, during the university vacation period, two chartered accountants and five students in such courses as commerce and finance and arts. These summer students helped greatly in speeding up verification.

ORGANIZATION AND ADMINISTRATION BRANCH

General Responsibilities

- Provision of assistance and advice to municipalities
- Examination into municipal organization problems
- Administrative duties in improvement districts and those municipalities placed under the Department's full or partial supervision
- Administration of The Assessment Act regulations concerning mining revenue payments to designated mining municipalities
- Administration of the tax arrears procedure under The Department of Municipal Affairs Act
- Approval of certain types of municipal by-laws

The duties of the Branch are carried out under two sections – Municipal Organization, and Municipal Administration.

MUNICIPAL ORGANIZATION SECTION

Functions of this section include continuing study, report and recommendation in regard to:

- Incorporation of new and reorganization of existing municipalities and local boards
- Changes in status and boundaries of municipalities
- Composition, procedures and functions of municipal councils
- Municipal elections
- Municipal administrative forms and procedures

In 1965 and early in 1966, priority was given to assembling statistical and other information for the Local Government Reviews commissioned by the Province. This work, together with the staff assigned to it, was

transferred during March to the newly established Research Branch of the Department. Other items transferred included studies on municipal viability, municipal dissolution, county powers and responsibilities, and the financial and administrative effects of urbanization.

With the assistance of the Municipal Administration Section, work continued on the Quieting Orders Program (clarification and confirmation of municipal boundaries, date of incorporation and legal status) and the handbook, Provincial Assistance to Municipalities, Boards and Commissions.

Revision of the latter was completed early in the year and the revised material forwarded to all municipalities and to other recipients of the 1964 handbook – approximately 1,200 copies. A further revision was near completion at the end of 1966. The revision, based on an examination of all pertinent legislation and regulations with consequent amendments, will update the book's information regarding provincial assistance. Revised material is cleared with provincial departments responsible for the administration of such assistance.

Progress to December 31, 1966 under the Quieting Orders Program is as follows:

(a) Municipalities in Counties	Total	During 1966
Boundary descriptions completed, reviewed and typed	249	72
Historical files prepared or updated	208	32
Boundaries plotted on maps (by Community Planning Branch)	90	Nil
Municipalities visited	168	1
Applications received for processing by Department	141	10
Applications and files to Ontario Municipal Board	42	10
Ontario Municipal Board Orders issued	28	14

(b) Municipalities in Territorial Districts:

Quieting Orders for most of the townships in the territorial districts were obtained over a five-year period commencing shortly after the enactment of The Municipal Corporations Quieting Orders Act in 1950.

In processing these applications, the Section maintained contact with the municipalities by correspondence and personal visits. Ontario Municipal Board hearings were also attended in order to assist each municipality in its presentation of evidence and supporting information.

In response to a request from the Department of the Attorney General, staff began to prepare boundary descriptions of the counties. At the end of the year, descriptions for the Counties of Haldimand, Bruce and Grey had been written.

Liaison was continued with the Community Planning Branch and the Administrative Subcommittee on Townsites with regard to Temagami, Moosonee, Bruce Lake and other areas of potential municipal development.

In the case of Temagami, Section officers attended public meetings to explain municipal incorporation procedures and discuss the effects of incorporation. An application by local residents to the Ontario Municipal Board for incorporation of Temagami and environs was considered by the Board at Temagami on September 7. The Board deferred its decision pending more adequate financial information. The Municipal Organization Section is working with the local petitioners in gathering this data.

Recommendations were made as to the specific powers to be given the Moosonee Development Area Board under the 1966 Act. A boundaries description was also prepared for the area.

Following are examples of miscellaneous projects in which the Section took part:

- Police Village of Komoko – Application to the Ontario Municipal Board for Incorporation: Following a visit to the area, a report was prepared as a basis for possible Department presentation at the Ontario Municipal Board hearing. (The hearing was subsequently adjourned *sine die*.)
- Town of Whitby and Township of Whitby – Amalgamation discussions: Meetings were attended at the invitation of both municipalities to discuss procedures and effects of amalgamation. These were followed by correspondence and telephone contacts
- The Geographic Townships of Broder and Dill – Local proposals for incorporation: Discussions were held with the secretary of the Public School Board and a firm of chartered accountants retained by the Board regarding the procedures and effects of incorporation
- The Township of Calvert and the Town of Iroquois Falls: Information and material was developed by the Treasurer of Calvert Township as the basis for a possible application to the Ontario Municipal Board for amalgamation with the Town of Iroquois Falls. This was discussed as to form and appropriateness

The Section reviewed and made recommendations in regard to the provisions of The Municipal Act relating to current election procedures, conflict of interest, county council representation, examination and licensing of certain trades and businesses, etc.

Section staff represented the Department on several interdepartment and other committees, e.g. the Committee on Taxation and Assessment in Unorganized Territory, the Mining Revenue Payment Committee, Urban Services Studies Committee and the Council Remuneration Committee. Several grants formulae were tested and background material developed.

Due to a critical staff shortage, no significant program extension was possible in 1966. Recruitment is proceeding.

MUNICIPAL ADMINISTRATION SECTION

This Section is responsible for providing administrative guidance and assistance to municipalities. The service falls in three main categories:

- (1) Supervision of the operation of improvement districts;
- (2) Examination and approval of the annual budgets and of certain by-laws and documents of designated mining municipalities and other municipalities;
- (3) Provision, upon request, of advice and assistance to municipalities and their boards and commissions, and the promotion of administrative standards and procedures, with emphasis on field work.

In addition, general advice on municipal operation is given, on request, to individual ratepayers, ratepayers' groups, service clubs, and the general public.

Improvement Districts

At the Minister's direction, the Board of Trustees of the Improvement District of Elliot Lake applied to the Ontario Municipal Board during the latter part of 1965 for incorporation as a township. Full township status was attained on April 1, 1966.

Of the remaining 17 improvement districts, all but one – the Improvement District of Bicroft – are within the territorial districts and most are within the areas served by the Department's Sudbury and Port Arthur regional offices.

Service to these municipalities in the form of advice and assistance concerning general administrative practices and statutory approvals (e.g. annual budgets, by-laws, resolutions, disbursements, etc.), is available from these centres, or from head office when regional service is not available.

Periodic visits are made to improvement districts as required. In general, annual budgets are approved by regional or head office supervisors during field trips and an attempt is made to coincide these trips with the completion and adoption of the estimates by each municipality.

Designated Mining Municipalities

Some communities may be designated by the Minister as Mining Municipalities, thus becoming entitled to certain Provincial mining revenue payments. Where a municipality receives a payment in any year under the regulations, it cannot assess and tax the profits of any mine or mineral work in that year. Also it must obtain the Department's approval for certain municipal actions and procedures, primarily the adoption of the municipality's annual estimates and those of its local boards.

The mining revenue payments, calculated annually by the Branch, are based on such factors as mines profits assessment, real property assessment, the number of mining employees living in or working in the municipality, and the amount which must be raised by the municipality through taxation.

Examination and approval of the annual budgets provide the opportunity for administrative officers to discuss content, budgeting procedures, levy and taxation methods, financial administration and contingent matters with the municipal officials and, at times, the council. In that way, changes of benefit to the municipality can be suggested. As in the case of improvement districts, every effort is made to expedite approval of the annual budgets and levy by-laws, through appropriate scheduling of field trips.

The Town of Ojibway, which had been a designated mining municipality in 1965, was annexed to the City of Windsor at the beginning of 1966.

Payments in 1966 to the 59 mining municipalities designated in the regulations totalled \$5,869,848.55.

Special Projects

Under The Ontario Municipal Board Act, the Board has the power to impose conditions on a municipality when approving the issuance of debentures. In certain instances the Board, in its Order approving the debt, has provided that a municipality must obtain the approval of the Department of Municipal Affairs to its annual budget during the life-time of the debentures. During 1966, nine municipalities were subject to this requirement and their budgets were examined and approved.

At the request of the Department of Education, the Branch has supplied assistance in the administration of Public School Section No. 1, Niobe Lake and Public School Section No. 1, Slaght and Factor, both in the District of Thunder Bay. The Regional Supervisor, Municipal Ad-

ministration, is also carrying out the duties of secretary-treasurer for these Sections.

This work includes administrative visits to the Sections, the preparation of the annual budgets, the setting of tax rates, the issuance of tax notices and the collection of taxes. The regional supervisor reports to both the Departments of Education and Municipal Affairs and has contact with the local Department of Education Inspector.

As a result of financial difficulties and at the request of the School Trustees, control and charge over the administration of the affairs of the Roman Catholic Separate School Board for the Improvement District of Sioux Narrows was vested in the Department of Municipal Affairs by Ontario Municipal Board Order dated March 17, 1966.

In carrying out its duties concerning the School, the Branch maintained close co-operation with the Department of Education and with the Board of Trustees. A firm of auditors was engaged to audit the School Board's accounts and records. On the basis of their report, which included a verified list of accounts payable, and of an annual budget prepared by the Branch, both Departments are working toward a possible solution of the financial and administrative problems.

In the course of his administrative duties with the Separate School, the Branch Regional Supervisor made a number of trips to Sioux Narrows.

Tax Arrears Procedure

In a situation where arrears of taxes have been allowed to accumulate, the economic well-being of the community may be threatened. Municipalities are accordingly provided with powers to enforce tax collection.

In accordance with The Department of Municipal Affairs Act, the Minister may order that the tax sale procedures of various Acts shall cease to apply in a municipality and that the tax arrears procedure of The Department of Municipal Affairs Act shall apply instead.

Both systems utilize the sale of lands as the means of recovering tax arrears. Differences lie in the procedures and in the role of the Department.

Under the tax sale procedure, the county treasurer (under warrant of the county warden), or the treasurer of a municipality, having the power to sell lands for arrears of taxes, gives public notice of lands where taxes are three years in arrears. The notice indicates the time and place for the proposed sale. A purchaser receives a certificate of sale. After one year, during which time the registered owner or any encumbrancer has the right to redeem the property, the buyer receives a tax deed.

In the case of the tax arrears procedure, the Department must approve all documents. Where taxes on vacant land are in arrears for two years (on improved land, three years), the land becomes the property of the

municipality upon the registration of a tax arrears certificate. This situation remains unless the certificate is "vacated" by the municipality (due to some error in registration) or is redeemed within one year by the previous owner or any other person having such right, or until sold.

A change from the "tax sale" to the "tax arrears" procedure usually results from application to the Minister by an individual municipality or by a county council on behalf of the municipalities within its boundaries.

Twenty municipalities applied for and were included in the tax arrears system during 1966. Thus, at the end of the year, the tax arrears procedures had been made applicable to 458 municipalities out of a total of 974 in the Province. In addition, the public school boards in eight territorial districts utilized the procedures. A total of 4,780 documents were approved during the year by regional and head office staff.

By-Law Approval

The Department's approval is required by statute to certain functions of municipalities. The following are examined and approved by this Branch:

- Disposition under certain circumstances of land acquired for industrial sites
- Setting of certain licence fees for hawkers and peddlers
- Use of reserve funds for any purpose other than that for which the fund was established
- Destruction of municipal records
- Assessment of telephone and telegraph companies by a township on the basis of gross receipts rather than on miles of wire and circuits

Assistance and Advice

The Branch continued its field advisory service through both regional and head office personnel. This constitutes a comprehensive program of visits by municipal administration officers to municipalities throughout the province to provide advice and assistance where needed, in such areas as:

- Preparation of the annual budget
- Tax levying procedures including the preparation of the collector's rolls, the preparation and issuance of the tax demands, the imposition of penalties and interest, and the methods of recovery of tax arrears
- Procedures for making application to the Ontario Municipal Improvement Corporation for purchase of debentures, the calculation of debenture repayment schedules and the preparation of the requisite documents including by-laws

- Composition of the council, board of control, local boards and committees
- Conduct and procedures for meetings of the council, board of control and local boards
- Filling vacancies on council, board of control and local boards
- Election procedures
- Preparation of resolutions and by-laws and the procedures relating to their adoption and enactment
- Provincial assistance to municipalities, including grants administered by the Department

Instructional seminars on municipal budgeting, the levying of taxes, the preparation of voters' lists, and council procedures were held in the District of Parry Sound. Meetings were also held in various parts of the Province with ratepayers' groups, service clubs, and others to advise them on municipal incorporation procedures and/or municipal affairs generally.

Regional Offices

The usefulness of the regional offices to the municipalities and to the Department was again evident in 1966. Of particular note was the volume and diversity of contact with the local communities – through municipally elected and appointed officials and, in a growing number of instances, ratepayers, students, accountants, solicitors, other government representatives and individual residents. In addition (as in the case of the Port Arthur office in 1966) the regional office is a point of contact and source for assembling information for regional study.

Senior Municipal Administration Officers were on staff for the full year at the Department's composite regional offices at Port Arthur and Sudbury. The London office was similarly staffed during July. These offices serve the following areas:

- Port Arthur: The Territorial Districts of Rainy River, Kenora and Thunder Bay plus the Townships of Michipicoten and Wicksteed and the Improvement District of White River in the Territorial District of Algoma
- Sudbury: The Territorial Districts of Algoma (excluding Michipicoten, Elliot Lake and White River), Manitoulin and Sudbury
- London: The Counties of Elgin, Essex, Huron, Kent, Lambton, Middlesex, Norfolk, Oxford and Perth

The following figures indicate the volume of work handled by these offices during the year: Letters written – 1,739 of a Branch total of 5,387; visits to municipalities – 250 of a Branch total of 550. The figure of 250 municipal visits does not, of course, reflect the greater distances travelled in the Northern and Northwestern parts of the Province.

GENERAL BRANCH OPERATIONS

Officers of both Sections took part in several municipal workshops arranged by the Department and by the Association of Ontario Counties during 1966. They also represented the Department at meetings, seminars and conventions of municipal associations and other groups. In recent years, such meetings have increased significantly, undoubtedly due to the increased complexity of municipal operation and the consequent desire of those engaged or interested in municipal administration to obtain up-to-date information.

In addition to the specific tasks of legislation review carried out by the Municipal Organization Section, the Branch annually assists in the review of proposed changes in legislation.

MUNICIPAL RESEARCH BRANCH

On June 6, 1966, the Minister of Municipal Affairs announced in the Legislative Assembly his intention to establish a Municipal Research Branch. The Branch began operation on August 1, 1966, with a total personnel complement of seven.

Functions

The functions of the Municipal Research Branch are:

- To study and report upon any proposals for the reallocation of municipal responsibilities, or changes in the structure of municipal government
- To study and report upon the program and fiscal effects upon municipalities of existing or proposed provincial financial aids to local government
- To provide factual background data to local government review commissions
- To advise and aid other branches of the Department in any specialized research they may undertake
- To exchange information and the results of research studies with other Departments and outside agencies
- To do special research and statistical studies in any area of municipal affairs

It should be emphasized that the Research Branch has not assumed any program responsibilities previously performed by other Branches in the Department. At all times this Branch is in a purely staff advisory position.

Activities

Activities during 1966 were limited by the need to devote considerable time to the establishment, organization and staffing of the Branch. Highlights of these activities were:

- The Lakehead Local Government Review Commission was provided with detailed background information on all aspects of local government in that area. The compilation of similar information for the Waterloo and Brant local government review areas was commenced
- Exploratory studies were conducted on means of measuring the economic base of municipalities and the relationship of this base to the provision of municipal services
- Analyses were made of the economic and financial bases, and relative burdens of taxation, in several municipalities
- Special studies were undertaken, on behalf of the Committee on Mining Revenue Payments, concerning the adequacy and distribution of funds under the Department's program of aid to mining municipalities

INFORMATION AND EDUCATION BRANCH

On April 1, 1966 the Information and Education Branch came into operation with a staff of six, and an approved complement of 11.

The main purpose of this Branch is:

- To serve as the central source of information about the Department and the official channel of communication between the Department and the public
- To bring to public attention, through appropriate media, significant facts, opinions and interpretations which will serve to keep the public aware of Department policies and actions
- To co-ordinate Department activities which affect the relations of the Department with the general public or with special public groups
- To plan and administer educational programs designed to fulfill the above responsibilities
- To collect and analyze information on the changing attitudes of key public groups toward the Department

Special Events

In April the Robert A. Taft Institute of Government in Amherst, N.Y. contacted the Branch for assistance in organizing a three-day workshop concerning local government and education in Ontario. This was the Institute's first seminar outside the United States.

Arrangements were made for a program and speakers, as well as a tour of Toronto. The Deputy Minister and Branch staff attended and participated in this seminar which proved extremely successful.

During the period from April to June, arrangements were made for the Ministers' and Deputy Ministers' Conference on Municipal Affairs. However, shortly before its opening, the Conference had to be postponed until July 1967.

In September, the Branch Director acted as tour director for the Cabinet tour of Northeastern Ontario. Branch staff made preparations for this tour and published a tour brochure.

In late October and early November, two staff members were loaned to the National Conference on "Pollution in our Environment", as members of the public relations staff.

In December, at the request of the Minister, staff were assigned to act as public relations consultants for the Bureau of Municipal Research's world conference on metropolitan problems, to be held in August of 1967.

INFORMATION SECTION

Writing

Professional staff writers and editors supplied speech material and radio and television talks, on request, for the Minister, Deputy Minister and others. Television scripts regarding municipal affairs were also supplied for the Cochrane District Clerks and Treasurers' Association.

Branch staff prepared the Annual Report for publication, as well as two brochures for the Assessment Branch. Articles were written for The Municipal World, various newspaper Progress Editions and other publications.

Staff also wrote and sent out press releases, and designed advertisements at the request of other Department branches.

Research

Considerable research was done and material supplied at the request of the Minister, Deputy Minister and other senior officers.

Two large research writing tasks were undertaken. One involved historical data concerning municipal affairs in Canada; the second project concerned research for a teachers' booklet on municipal affairs in Ontario.

Other

During the year many requests for information on the Department and municipal affairs in Ontario were received from teachers, students and other members of the public. All requests were filled and, where necessary, the letters were referred to other Branches for technical information.

Correspondence took place with all Ontario municipalities, in order to build up a large speech material file. The co-operation was excellent and a continuing flow of historical and current data has been established.

Another major staff function was liaison with all media. This involved

information, distribution of press releases and speeches, and referrals to the proper technical staff when necessary.

During the year, Branch staff attended conferences and seminars held by various municipal associations and development councils in Ontario.

EDUCATION SECTION

Courses

Early in the year, with the approval of the Minister, a committee was established with representation from the Ontario Chamber of Commerce, the Jaycees, the Branch and all major municipal organizations. Purpose of the committee was to establish a basic course in municipal affairs which could be operated in any Ontario municipality and would fill the urgent need for more knowledge and education in this field. The participating organizations agreed that, by working together on this project, overlap could be prevented and a good general course provided to any community upon request. The central committee was named the Ontario Conference on Local Government.

The Branch agreed to co-ordinate the supply of speakers for these courses as well as to act as consultants in the public relations programs.

In October and November of 1966, the pilot course was held at Trent University, Peterborough, with 12 topics being discussed over a period of six weeks. At the end of the course, an evaluation was made and the project deemed a success. All participating organizations expressed satisfaction and gave approval for the project to be continued, with approximately six courses to be held in 1967.

As a result of this program, and because a number of requests for speakers had been filled during the year, the Branch began an extensive project to set up a speakers' bureau on Municipal Affairs in Ontario. This is still in process.

Branch staff also participated during the year in supplying assistance and speakers for two other municipal affairs courses. This first was held by the Niagara-on-the-Lake Ratepayers' Association in the spring of 1966, and the second by Notre Dame College, Welland, in the Fall.

Workshops

During the year Branch staff made physical preparations for and participated actively in five Department workshops. These workshops are held every year, usually at the request of the municipality itself. All line branches of the Department are represented at these two-day workshops.

In 1966 workshops were held at Windsor, St. Thomas, Barrie, Minde-moya and L'Original. Municipally elected and appointed officials from all municipalities in the counties involved were invited to attend, and response was excellent.

Staff also attended and reported on workshops held by various municipal organizations.

Exhibits

Department exhibits were prepared and displayed at the Lakehead Exhibition and the Canadian National Exhibition. In the latter case, the Branch arranged for and participated in staffing the exhibit.

Films

During the year the Branch set up a file of all films available which would be useful in educational programs on municipal affairs. A film viewing program was started, and this will continue in 1967.

ACCOUNTS BRANCH

Responsibilities

- (1) PAYMENT OF ACCOUNTS – The examination and presentation to Treasury for payment, of all accounts for goods, services, travelling expenses, etc., together with requisitions for grants and subsidies submitted by other Branches.
- (2) REVENUE – The collection, recording and control of all revenues due to the Department.
- (3) PAYROLLS – The preparation of payrolls for the Department and the Ontario Municipal Board staffs. The Branch provides assistance and information to staff members concerning fringe benefits, hospital insurance, etc.
- (4) ESTIMATES – The co-ordination of Department Estimates into the final submission to the Treasury Board and the Government. The Branch also prepares, in co-operation with other Branch heads, information required by the Minister for his presentation of the Department's Estimates to the Legislature.
- (5) FINANCIAL CONTROL – In addition to maintaining the books of account concerning the Department's operations, the Branch also provides monthly expenditure reports to Branch heads and prepares other statistical and financial reports required by various government agencies. As part of the system of internal financial control, the Branch certifies the availability of funds for special purchases, activities, etc., that arise during the year.

LAW BRANCH

Major responsibilities of the Law Branch in 1966 were: to provide advice on and resolve legal problems, and to conduct the Department's legislative program.

Approximately 30 Statutes are administered by the Department covering a wide range of subjects, many of them very technical. The Branch was frequently consulted during the year regarding the application of these Statutes and on related problems. The number of enquiries from solicitors involved in especially complex municipal problems has increased each year since establishment of the Branch in 1960.

At the last Session of the Legislature, 16 bills were introduced by the Minister of Municipal Affairs, resulting in substantial revisions to many of the major Acts administered by the Department. The Law Branch was responsible for preparing this legislative program. In this regard the Branch examined proposals from many sources, and submitted reports to the Deputy Minister.

The Branch is responsible for examining private bills. Several bills were revised and, in some instances, withdrawn after detailed discussion with Branch representatives. Where the Department's objection to certain bills, in whole or in part, could not be resolved with the petitioner prior to introduction in the Legislature, the Department's views were presented before the Private Bills Committee.

Staff provided legal assistance to other Branches when required. In this regard, Branch staff prepared agreements, regulations, Minister's Orders, Order-in-Council recommendations and other legal documents, and passed upon the validity of various by-laws, contracts or other instruments having legal implications.

Staff represented the Minister and the Department before the Ontario Municipal Board on several occasions during the year on such matters as assessment equalization appeals, committee of adjustment appeals and applications for municipal incorporation.

Reports were prepared on a number of petitions filed with the Lieutenant-Governor in Council regarding decisions of the Ontario Municipal Board. This involved consultation with other Branches, Departments, agencies and individuals.

As an aid to municipal officials and others in keeping abreast of cur-

rent municipal legislation, the Branch prepared a summary of such legislation enacted at the 1966 Session of the Legislature. This was widely distributed and used.

The Branch also provided or assisted in the drafting of various brochures, memoranda, instructions and informative material for distribution to municipalities and local boards. Staff attended conferences of municipal officials to read papers or speak on matters pertaining to municipalities.

OPERATIONS BRANCH

Personnel

The personnel office provides guidance, advice and assistance to departmental management in all matters concerned with personnel administration. Responsibilities cover functions such as organization, job analysis and evaluation, recruitment, salary administration and employee relations.

On April 1, 1966, under authority delegated by the Department of Civil Service, this office assumed responsibility for classifying certain positions and certifying the qualification of employees who are promoted to these positions. The delegated classification authority represents approximately 65% of all civil servants in the department.

Complement of the department and the number of persons on staff at December 31 in the years 1965 and 1966 were as follows:

	<i>Complement</i>	<i>On Staff</i>	<i>Vacancies</i>
1965	287	247	40
1966	336	275	61

During the 1966 calendar year there were 50 terminations and 78 additions in staff.

Library

Although primarily serving the Department staff and other government officials, as well as Ontario municipal officials and consultants and university students, the Library is also open to the general public, university and special libraries.

The Library is a growing collection of more than 23,000 books and pamphlets which is supplemented by 200 monthly periodicals and news letters, a selection of Dominion Bureau of Statistic reports, and more than 1,600 maps, newspapers clippings and historical files.

Included in the collection is material on municipal government, finance, law, assessment, history and town planning. Approximately 150 books, reports and pamphlets are received monthly.

Various indexes and records are kept on the following:

- Ontario Municipal Board orders and decisions dealing with changes in municipal boundaries or status, assessment appeals, debentures, and expropriations of land; other records on incorporations and boundary changes since 1792
- A private bills index from 1867 to the present
- An index to the composite townships in Ontario
- Index to Ontario Regulations (updated weekly)
- Records on incorporations of police villages
- Index to Ontario Debates prepared for current session as each debate is received
- Summary of historical development of many Ontario municipalities
- Index of Provincial and National Parks in Ontario



The Library issues a Library Bulletin with information on recent acquisitions; a summary of Ontario Municipal Board appointments for hearings, decisions, and orders regarding changes in municipal status or boundaries; notices of municipal association annual meetings; a list of legislation administered by the Department of Municipal Affairs; and summaries of recent municipal court cases.

During 1966 a Composite Township List (28 pages) was prepared and circulated to staff members, a selected number of libraries and the registrars of deeds and local masters of titles for each county and district in Ontario. This list will be updated as needed. The 1966 Supplement to the Bibliography of Municipal Government, Financing and Planning Theses was prepared and circulated. The Library Handbook was revised. This is distributed to new staff members and, on request, to others. A list of Periodicals, held in the Library, was prepared for circulation on request.

A Summary of Legislation in the Development of Municipal Government in Ontario was prepared as well as a list of counties with their dates of incorporation. A Serials Record Card System was developed for associations, government departments (federal, provincial and municipal), university catalogues, directories and annual reports of other organizations.

A Selected Bibliography on Local Government was prepared and distributed to municipal libraries and interested people across the province.

Purchasing

This section includes the stockroom, mail and messenger services, printing and purchasing of equipment and supplies.

During 1966 the volume of work increased greatly in the above categories.

Space accommodation is a never ending problem, due to staff additions, section reorganization in the branches, and new branches being established. During 1966 new accommodation was found for the Peterborough office due to the expansion of this office to include a Supervisor of Accounting. The New Liskeard office was moved to Brantford in Southern Ontario to relieve the workload of the London office.

A survey was completed and subsequently updated, forecasting the staff and space requirements up to and including 1972.

During the latter part of 1966, approximately 18,000 semi-active and dead files were indexed and shipped to Government-owned file storage in Cooksville. As a result, approximately 400 square feet of floor space was gained for the expansion of the Subdivision Section, Community Planning Branch.

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Ontario, Municipal
Affairs, Department
of

annual report

DEPARTMENT OF MUNICIPAL AFFAIRS

1967

ONTARIO

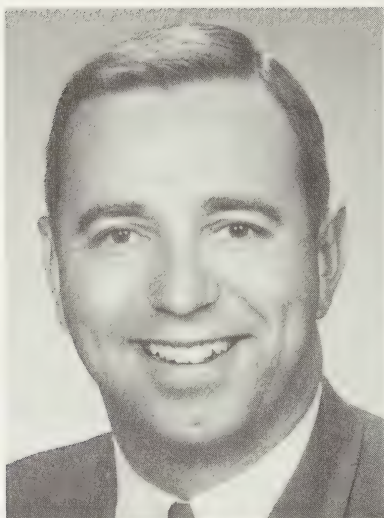


ANNUAL REPORT

1967

DEPARTMENT OF MUNICIPAL AFFAIRS

ONTARIO



THE HONOURABLE W. DARCY McKEOUGH
Minister of Municipal Affairs

MINISTER OF MUNICIPAL AFFAIRS
AND MEMBER OF LEGISLATIVE ASSEMBLY FOR CHATHAM-KENT



801 Bay Street
Toronto 5, Ontario

April 1, 1968.

The Honourable W. Earl Rowe, P.C. (C)
Lieutenant-Governor of the Province of
Ontario

Your Honour:

The undersigned has the privilege
of submitting for the information of Your
Honour and the Legislative Assembly, the
Annual Report of the Department of
Municipal Affairs.

Respectfully submitted

A handwritten signature in dark ink, appearing to read 'W. Darcy McKeough'.

W. Darcy McKeough

Minister

DEPARTMENT OF MUNICIPAL AFFAIRS

801 BAY STREET • TORONTO 5, ONTARIO • 365-1627



Office of the Deputy Minister

TO THE HONOURABLE W. DARCY McKEOUGH
MINISTER OF MUNICIPAL AFFAIRS

I have the honour to present to you the Thirty-fourth Annual Report of the Department of Municipal Affairs for the calendar year ended December 31, 1967. This Report is presented in accordance with section 5 of The Department of Municipal Affairs Act.

Respectfully submitted,

A handwritten signature in dark ink, reading "W. H. Palmer". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

W. H. PALMER
DEPUTY MINISTER

CAP. LXXXI.

An Act to provide, by one general law, for the erection of Municipal Corporations, and the establishment of Regulations of Police, in and for the several Counties, Cities, Towns, Townships and Villages in Upper-Canada.

[30th May, 1842.]

WHEREAS it will be of great public benefit and advantage that provision should be made, by one general law, for the erection of Municipal Corporations and the establishment of Regulations of Police in and for the several Counties, Cities, Towns, Townships and Villages in Upper-Canada: And whereas, with a view to this object, certain Acts of the Parliament of this Province, and certain others of the Parliament of the late Province of Upper-Canada, have, by an Act passed during this present Session of Parliament been repealed: Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and of the Legislative Assembly of the Province of Canada, constituted and assembled by virtue of and under the authority of an Act passed in the Parliament of the United Kingdom of Great Britain and Ireland, and intituled, *An Act to revoke the Provisions of Upper and Lower-Canada, and for the Government of Canada*, and it is hereby enacted by the authority of the same, That this Act shall commence and have force and effect upon, from and after the first day of January, in the year of our Lord, one thousand eight hundred and fifty, and not before; excepting always such of its provisions as may require that any thing be done preparatory to the first elections to be held under it, which provisions shall be in force immediately upon, from and after the passing thereof.

Consent
ment of the
Act.
Exception pe-
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provisions.

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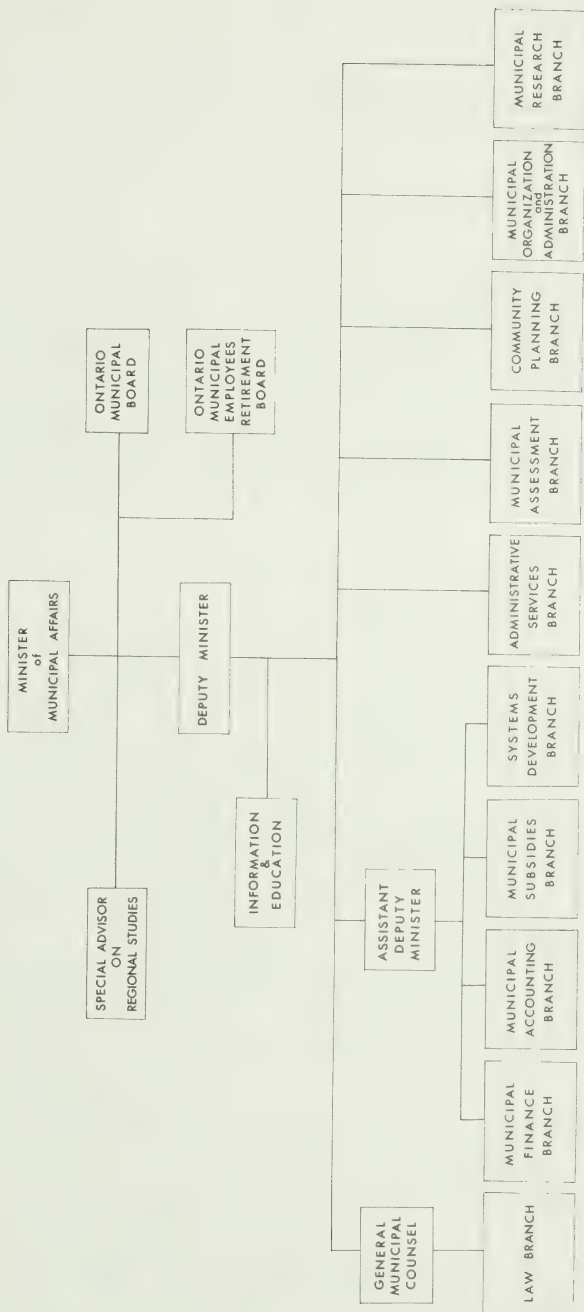
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DIRECTORY

Minister	HON. W. DARCY MCKEOUGH
Executive Assistant	A. N. DUNNE
Special Advisor on Local Government Studies	L. R. CUMMING, Q.C.
Deputy Minister	W. H. PALMER
Executive Officers	V. BOZZER
	J. M. REID
Chief, Information & Education Services	J. M. MAIN
Assistant Deputy Minister	PAUL HICKEY
General Municipal Counsel	C. W. YATES, Q.C.
Director, Administrative Services Branch	W. G. RITCHIE
Director, Community Planning Branch	D. F. TAYLOR
Director, Law Branch	J. W. BELL
Director, Municipal Accounting Branch	R. J. WATSON
Director, Municipal Assessment Branch	P. G. GILLIS
Director, Municipal Finance Branch	E. M. FLEMING
Director, Municipal Organization and Administration Branch	A. T. BUTLER
Director, Municipal Research Branch	S. CLASKY
Director, Municipal Subsidies Branch	M. D. TREWIN
Director, Systems Development Branch	COLIN DALINGWATER

DEPARTMENT OF MUNICIPAL AFFAIRS - ORGANIZATION CHART



PUBLICATIONS

Annual Report

Summary of Legislation Affecting Municipalities

Bulletins and Instructional Guides

ADMINISTRATION AND ORGANIZATION

Provincial Assistance to Municipalities, Boards and Commissions
(2nd Revision)

ASSESSMENT

Manual—Handbook of Cost Factors
Appraisal Notes

COMMUNITY PLANNING

Ontario Planning (periodical)

Urban Renewal in Ontario (booklet)

Urban Renewal Planning Studies Manual

Urban Renewal Scheme Preparation Manual

Urban Renewal Scheme Implementation Manual

The Nickel Basin Planning Study

Planning for a Better Community (pamphlet)

Maps of Ontario (folder)

The Community Planner in Government (article)

Introductory Bibliography on Community Planning (pamphlet)

Planning Reprints (various)

Recreation Tomorrow—Ontario Looks to 1986

FINANCE

Annual Report of Municipal Statistics

Municipal Directory

RESEARCH

Brant Area Local Government Review Basic Information

ADMINISTRATIVE SERVICES BRANCH

In 1967 a central Administrative Services Branch was established, consolidating all of the Department's supporting services. Objective of the new Branch is to up-grade the quality of supporting services provided to operating personnel, and to improve the direction, co-ordination and control of service functions generally.

In June, 1967, a Director of Administrative Services was appointed and the new Branch was formed consisting of five major sections: Personnel Services; Departmental Accounts; Library; Emergency Services; and General Services.

Personnel Services

The personnel office provides advice and assistance on all aspects of personnel administration for management of the Department and of the Ontario Municipal Board. It also effects a line of communication between the Civil Service Commission and the Department in interpreting personnel policy, The Public Service Act and Regulations and Civil Service Commission directives.

In recent years the functions and responsibilities of the Department have expanded significantly, resulting in increased staff. In December 1967 total department staff reached 302, an increase of 100 since December 1962, with approved complement of 379.

Staff changes in the period between December 1, 1966 and November 30, 1967, totalled 139, with 81 appointments and 58 resignations.

Departmental Accounts

Objectives of this section are:

- To provide financial information to branch heads so they can operate effectively
- To discuss with branch heads normal and irregular costs incurred in maintenance of the branch
- To control expenditures so that funds are available to meet all demands

- To relate, and report on, Department operating costs with respect to established Government objectives

This section is responsible for the payment of accounts, the collection and recording of revenue, the preparation of payrolls for the Department and the Ontario Municipal Board, the co-ordination and final submission of the Department's annual estimates, and the control of the Department's finances.

In 1967 the Accounts section revised the system of accounting to be implemented for the fiscal year 1968-69, and assisted in the development of departmental programs to conform to recent concepts of program budgeting. The section is presently developing a method to permit more effective reporting of managerial information.

General Services

Object of this section is to provide service, advice and guidance to operating Branches with respect to:

- Purchasing and procurement
- Stores and inventory control
- Printing and reproduction
- Mail and messenger services
- Central files
- Regional office administration
- Planning of office layout, space, facilities

The continued expansion of the Department made 1967 a year of increased activity in all areas of general services. The purchasing officer visited a number of trade exhibits, purchasing and investigating a number of new types of equipment, furnishings and supplies. Central files has found the storage of semi-active files at Cooksville quite efficient. The printing unit, which consists of offset printing and other smaller equipment, completed more than 700 requisitions during the year for work varying from form letters to complex reports.

Library

The departmental library has a collection of 25,000 books and pamphlets in the fields of municipal law, finance, administration, town planning, assessment and history. Supporting these are 200 monthly periodicals and newsletters, a selection of Dominion Bureau of Statistics reports, maps, newspaper clippings and historical files.

In 1967 the library was chosen as the depository for all briefs submitted

to the Smith Committee on Taxation, the Beckett Committee on Municipal Law, and the Goldenberg Commission on Metropolitan Toronto.

Library services include literature searches, compiling of bibliographies, telephone reference, photocopies, routing of periodicals, newspaper clippings and newspapers, maintenance of a new book and periodical shelf, publication of a weekly bulletin, a library services brochure and an annual conventions list, and other publications related to municipal government.

In 1967 the library completed an unincorporated place name index and maintained a number of other indexes pertinent to municipal government in Ontario.

Although primarily serving departmental staff and other Ontario provincial and municipal agencies, the library is being increasingly used as a reference source by consultants, university students, other libraries and the general public.

Emergency Services

Functions of emergency services section include emergency services and records management.

In the Fall of 1966 the Ontario Government introduced the development of a Records Management Program aimed at more effective use of staff, equipment and space through co-ordinated control of paper work. The Department appointed a records management officer in December 1966.

Concentrated investigation showed 9,748 cubic feet of records and 897 pieces of filing equipment within the Department, the Ontario Municipal Board and OMERS. Of this, 2,887 cubic feet of records and 18,000 subdivision plans were transferred to the Ontario Government Record Centre in Cooksville and 644 cubic feet were marked for destruction. This has released 219 filing cabinets and 84 linear feet of steel shelving for use elsewhere in the Department.

Building and Fire Safety measures were improved during the year with instructions to wardens, building evacuation exercises and fire safety and building inspections. Plans were made for the continuity of the Department in a national emergency and arrangements completed for the relocation of the Department in the event of a major disaster destroying its present headquarters.



COMMUNITY PLANNING BRANCH

Responsibilities

Major Branch responsibilities are to administer the terms of The Planning Act and to provide a planning and development advisory service and assistance, upon request, to municipalities, other Department branches and organizations.

During 1967, the Branch conducted numerous investigations, researches and studies; prepared reports; made recommendations; and provided general assistance and information. Branch representatives attended more than 4,000 meetings with councils, committees of adjustment, planning boards, municipal staff, private developers and representatives of federal and provincial government departments. Staff also participated as speakers, panel members, and resource persons in many conferences (national, provincial and regional); assisted in Department workshops, and participated on inter-departmental committees.

Due to the broad range of its responsibilities, the Branch has always participated in a lot of government committees. During 1967 an unusually large number of new inter-departmental groups and committees were formed, to which Branch members have been appointed as representatives. These include:

- Agricultural Rehabilitation and Development Act Directorate
- Technical Committee on Air Pollution Control
- Inter-departmental Committee on Tourism in Ontario
- Mapping Liaison Committee
- Wasaga Beach Study Committee
- Waterloo-South Wellington Study Committee
- Niagara Escarpment Study Committee
- Recreation Liaison Committee
- Central Ontario Regional Advisory Board
- Canada-Ontario Rideau Study Committee
- Northwestern Ontario Regional Advisory Board

*Community Planning Branch of the Department
ained technical staff of highly skilled personnel
the municipalities in planning the most
use of their communities.*

MEETINGS WITH REPRESENTATIVES OF MUNICIPALITIES AND PRIVATE DEVELOPERS
(Nov. 6-10, 1967)

MUNICIPALITY	GENERAL PLANNING	OFFICIAL PLAN	ZONING BY-LAW	SUBDIVISION CONTROL	PLANNING ORGANIZATION	URBAN RENEWAL	SPECIFIC SUBDIV. OR CONSENT	OTHER
Acton	*	**	**					
Beamsville				*			*	
Blenheim Twp.						**		
Bobcaygeon							**	
Brant County							*	
Brant Twp.				*				
Broder and Dill	*							
Camden Twp.					*			
Chatham					*			
Cornwall						*		
Deep River							***	
Dresden					*			
Espanola		**					**●	
Etobicoke							**●	
Fenelon Twp.		**					**●	
Goulbourn Twp.		**	**					*
Guelph								
Hamilton		**						
Kingston						*		
Lindsay			**	**				
Mariposa Twp.							**●	
Markham Twp.							**●	
Morrison Twp.							**●	
Niagara Falls						*		

SUBJECT OF DISCUSSION

MUNICIPALITY	GENERAL PLANNING	OFFICIAL PLAN	ZONING BY-LAW	SUBDIVISION CONTROL	PLANNING ORGANIZATION	URBAN RENEWAL	SPECIFIC SUBDIV. OR CONSENT	OTHER
Niagara Twp.		**	**					*
Norfolk County								*
Norfolk County								
North Gower							**	
North York								**
Orangeville	*							
Ottawa						*		
Peterborough						*		
Pittsburgh Twp.							**●	
Scarborough							**	
Smith Twp.	**						**	
South Easthope				*			*	
Stratford		**						
St. Catharines						*		
Sudbury						*		
Toronto Borough				**			**●	
Toronto						*		
Verulam Twp.			**					
Waters Twp.	*							
W. Gwillimbury		**	**					
Whitefish	*							
Windsor						*		

* Meetings in or visits to municipality.

** Meetings in Toronto offices.

● Meeting with private developer.

This chart represents a typical week for Branch staff attending meetings

Branch Staff

Branch permanent and probationary staff rose to 108 by the end of 1967 from 91 in 1966.

An in-service training program for new staff was undertaken this year to supplement the Department orientation courses. Many staff members were also provided with financial assistance for courses at universities and other institutions of learning.

The market for experienced and academically trained planners is still extremely tight. Many job advertisements from the Branch and municipalities go unanswered, and mobility of planners between employers is high.

Increased interest in training for planning technicians shown by institutions like Mohawk Community College (Hamilton) and Ryerson Polytechnical Institute (Toronto) will eventually meet part of this demand. On a longer-term basis, the high interest in community planning currently being shown by high schools will attract more people into the field.

Field Offices

A third field office was established in Ottawa late in 1967. This office, staffed by two experienced planners, will provide planning advisory services to municipalities in Southeastern Ontario. We hope to have a fourth field office by the end of 1968.

The Port Arthur office has taken over permanently the handling of applications for consent to sever land by metes and bounds description within the northwest area. This arrangement, in the experimental stage since 1966, has proven successful and will likely be extended to other offices.

Also under consideration is the possibility of decentralizing some parts of the approval of subdivision plans to field offices.

Planning Organization

Twelve new planning areas were defined by the Minister in 1967.

- Borough of York Planning Area —Borough of York
- East York Planning Area —Borough of East York
- Walpole Planning Area —Township of Walpole
- Capreol and Hamner Planning Area —Townships of Capreol and Hamner
- Central Lambton Planning Area —Town of Petrolia, Village of Oil Springs and Township of Enniskillen

- Village of Wellesley Planning Area—Village of Wellesley
- County of Prince Edward Planning Area —all municipalities in County of Prince Edward
- Galt Planning Area —City of Galt
- North Dumfries Planning Area —Township of North Dumfries
- Port Credit Planning Area —Town of Port Credit
- Elmvale Planning Area —Village of Elmvale
- Seaforth Planning Area —Town of Seaforth

The County of Prince Edward Planning Area embraces a large urban centred community. Of the eleven remaining, two were redefinitions of existing planning areas within the Metropolitan Toronto Planning Area. Three are further steps in the restructuring of planning organization in Waterloo County, which began with the definition of the Waterloo County Planning Area in 1965. Two new planning areas (Port Credit and Elmvale) are subsidiary planning areas; one reflected the amalgamation of the Townships of Capreol and Hamner; one (Central Lambton) is a small joint planning area, and the other two (Walpole and Seaforth) are new single independent planning areas.

The Branch has concentrated much of its energies towards establishing larger joint planning areas. A number of boards formed over the past several years already are engaged in dynamic programs. Success has not been complete, however. One county Planning Area Board, defined with almost unanimous support of the municipalities within the county, is still trying to resolve serious internal disagreements. Senior Branch staff met several times with the municipalities involved in an attempt to define the problems and to prepare a more satisfactory method of operation.

At least three county councils are well along in exploring the advantages of setting up planning boards. At least three others are beginning to explore the role of the county.

The total number of planning areas in existence at the end of 1967, compared with 1966, is as follows:

	1966	1967
<i>Single Independent</i>	156	156
<i>Subsidiary</i>	157	164
<i>Joint-Subsidiary</i>	3	3
<i>Joint</i>	73	74
	<hr/> 389	<hr/> 397

(Portions of the Province where planning areas exist are graphically illustrated on the map provided with this book).

This year the Branch had hoped to present an in-depth analysis on planning boards, dealing with characteristics, membership, size, and background of members. Unfortunately, response to our planning board questionnaire was lower than expected. However, the following table will reflect some interesting information.

DISTRIBUTION OF PLANNING BOARDS BY EXPENDITURE CATEGORY

<i>Expenditure</i>	1965		1966	
	<i>No. of Boards</i>	<i>% of Boards Reporting</i>	<i>No. of Boards</i>	<i>% of Boards Reporting</i>
<i>Under \$500</i>	60	29.6	55	28.2
<i>\$501—1000</i>	44	21.7	29	14.9
<i>\$1001—5000</i>	63	31.0	61	31.3
<i>\$5001—10,000</i>	12	5.9	15	7.7
<i>\$10,001—100,000</i>	18	8.8	26	13.3
<i>Over \$100,000</i>	6	3.0	9	4.6
	203	100	195	100

Expenditures reported in 1966 totalled \$3,497,000. The percentage of boards reporting expenditures in excess of \$5,000 per year increased from 17.7% in 1965 to 25.6% in 1966.

DISTRIBUTION OF PLANNING BOARD MEMBERS BY OCCUPATION

<i>Occupation</i>	<i>No. of Boards Containing Repres. of Occup.</i>	<i>No. of Members of Occupation</i>	<i>Percentage of Total Membership</i>
<i>Architects</i>	26	27	1.59%
<i>Builders</i>	39	46	2.88
<i>Businessmen</i>	139	378	23.70
<i>Medical Doctors</i>	18	21	1.32
<i>Engineers</i>	57	81	5.08
<i>Farmers</i>	101	328	20.56
<i>Housewives</i>	22	26	1.63
<i>Lawyers</i>	34	52	3.26
<i>Merchants</i>	70	102	6.40
<i>Real Estate</i>	28	33	2.07
<i>Salesmen</i>	49	63	3.95
<i>Teachers</i>	41	48	3.01
<i>Others</i>	132	295	18.49
<i>Unspecified</i>		95	5.96

Of the members listed 13 per cent had less than one year's experience on the planning board, 35 per cent between one and three years' experience,

24 per cent between three and six years' experience and the remaining 28 per cent more than six years' experience. Approximately one in ten of the members were in professional occupations.

Forty-four boards reported full-time technical planning staff (compared to 31 in November 1965); 183 had made use of planning consultants during the year.

Approximately 40 per cent of the boards reporting on finances did not pay board members for attendance at board meetings.

Minister's Orders

During 1967, the Minister made the following five orders under section 27 of The Planning Act:

<i>Date Made</i>	<i>O. Reg. No.</i>	<i>Area Covered</i>	<i>Type</i>
Mar. 10/67	83/67	Township of Manvers Durham County	Subdivision Control
Mar. 10/67	84/67	Township of Cartwright Durham County	Subdivision Control
July 18/67	256/67	Geographic Townships of Baxter and Gibson District of Muskoka	Subdivision Control
Oct. 24/67	380/67	Geographic Townships of Broder and Dill District of Sudbury	Subdivision Control and part-lot control
Oct. 24/67	389/67	Geographic Township of Teefy District of Cochrane	Subdivision Control

Two orders were significant in that they applied subdivision control to two incorporated townships in Southern Ontario. There was strong evidence that considerable amounts of land were about to be subdivided into lots without any effective control to ensure that the development was appropriate in character and timing and that it would conform to acceptable standards. The action taken by the Minister in imposing subdivision control was intended to protect the interests of the municipalities, the local ratepayers, and the future owners and occupants of new development in the area. It was also designed to afford the municipalities an opportunity to initiate the essential planning programs and regulation of development.

Townsites

After two years of intensive study and planning for entirely new townsites, extensions and rehabilitation of existing settlements, 1967 saw the implementation of plans in five areas.

Kapuskasing (Brunetville):

- 26 substandard houses demolished
- 17 houses relocated to new sites
- 24 public housing units (sr. citizens) under construction
- Internal services (sewers, water lines and roads) completed providing full servicing for 280 building lots
- 113 existing homes rehabilitated using conventional financing and loans under The Housing Development Act

Temagami (Goward site)

- Water, sewers, roads, hydro and telephone services completed for the first phase of 75 building lots
- 20 residences completed
- Plans for first phase registered and draft plans prepared covering 334 lots
- Sales and lease agreements finalized
- Acquisition of surface rights from private owners
- Municipal status secured

Ear Falls

- Internal services of water, sewers and roads completed for first phase covering area capable of providing servicing to 214 residential units and large mobile home park
- First 30 of 100 public housing units (Ontario Housing Corporation) under construction
- Sales and lease agreements prepared
- Lots price schedule completed

Moosonee

- Construction of internal services (roads, sewers and water lines) completed for 230 building lots
- Studies undertaken of method of lot disposal and cost recoveries

Beardmore

- Completion of draft plan of subdivision

Urban Renewal

Urban renewal activity increased sharply in the Province during the year. Branch representatives participated in 422 field meetings concerned with urban renewal, as compared to 190 in 1966.

Many of these meetings were with municipalities with no previous experience, which desired to learn legislative basis, procedures, policy and the nature of urban renewal. Most meetings were associated with particular studies and projects underway in various municipalities.

During the year problems relating to the rehousing of owner-occupants of residences in certain urban renewal projects in Toronto became evident. Discussions were held with city representatives to find a method of helping dislocated persons to secure alternate housing accommodation of a good standard. Study of the problem is continuing.

Discussions were also held with interested persons concerning the role of citizen groups in preparing and implementing urban renewal operations.

Twice yearly meetings with senior staff of Central Mortgage and Housing Corporation were continued.

Urban Renewal Studies

Ten applications for financial assistance to undertake urban renewal studies were approved in 1967. The estimated cost of these new studies, involving a 75% grant from C.M.H.C., exceeds \$233,000. This brings to \$1,208,000 the cost of urban renewal studies undertaken in 50 municipalities in Ontario since 1955.

Studies were completed in 1967 in Amherstburg, Brockville, Hespeler, Kenora, Lindsay, St. Catharines, St. Thomas, Sarnia and area, Stratford, Timmins, Wallaceburg and Welland. These are broad studies designed to identify situations requiring urban renewal action. In most instances the studies undertaken supplement data collected in the preparation and maintenance of the municipality's official plan.

Eleven new liaison committees, with Branch representatives as members, were formed to supervise the preparation of the studies.

Urban Renewal Schemes

Once the broad studies are completed, it is then possible to designate areas requiring urban renewal action and to prepare specific plans (urban renewal schemes) for these areas.

Twelve applications to undertake urban renewal schemes were approved in 1967. The total estimated cost of these schemes was \$900,000. This brings to \$1,756,000 the estimated cost of schemes completed or underway in 23 municipalities since 1964. Preparation costs of these schemes are met 50% by C.M.H.C., 25% by the Province and 25% by the municipality.

Schemes were completed in London and Niagara Falls in 1967. Those in Port Arthur, Kitchener, Mountjoy and Sault Ste. Marie are nearing completion.

Four new co-ordinating committees, each with Branch representatives, were formed during the year.

Urban Renewal Projects

During the year agreements were completed between the three levels of government to permit implementation of schemes in Hamilton (two projects), Sault Ste. Marie, and Sudbury. The estimated gross cost of these projects is \$54,537,000, of which \$13,660,000 is paid by the province.

Since 1958, a total of 15 urban renewal projects have been undertaken in eight municipalities. These projects cover an area of 1,241 acres and involve expenditures of \$122,000,000 by the three levels of government.

Four new intergovernmental co-ordinating committees were formed in 1967 to assure maximum co-ordination of work involved in these projects.

Maintenance and Occupancy By-Laws

A condition of provincial financial aid in urban renewal schemes is the adoption and enforcement of maintenance and occupancy by-laws (Section 30A, The Planning Act). All municipalities now involved in urban renewal have prepared the necessary official plan policies and prepared draft by-laws.

By-laws were approved in 1967 by the Ontario Municipal Board in Kingston, London and Sudbury. By-laws are being prepared in Hamilton, Neelon and Garson, North York, East York, Etobicoke and Scarborough.

Educational Aids

The Branch has initiated production of a slide presentation showing blighting influences, illustrations of various types of urban problems in different Ontario communities, and the solution of these problems through urban renewal action.

To date, a large number of slides have been prepared, and developed into a half-hour program. Collection of slides and refinement of the program will be a continuing project.

Subdivision Activity

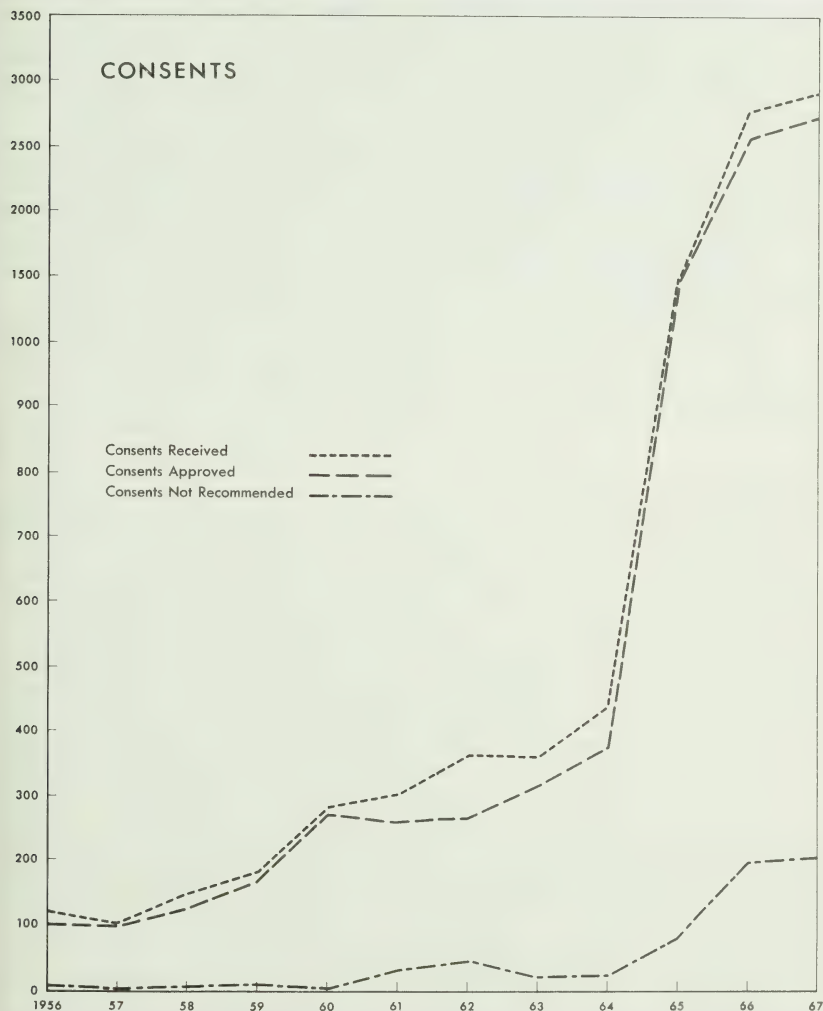
Some 785 subdivision draft plan applications were submitted during the year. The Branch handed down recommendations in 576 cases and approved 456 final plans.

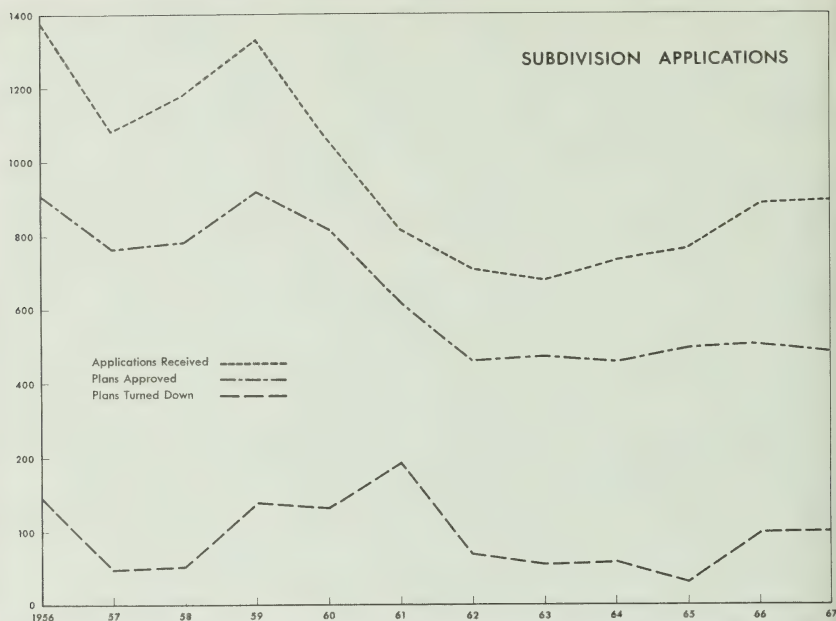
Consents dealt with by the Minister under Section 26 (1)(e) totaled 2,922. The Branch reviewed 6,456 Committee of Adjustment decisions, and the Minister referred two decisions to the Ontario Municipal Board.

Field activity showed a marked increase. More than 1,200 visits were made during the year, as compared to 800 in 1966, including site inspection for consent and subdivision applications, and meetings with local officials and applicants.

Often the first contact municipal councils have with the Branch occurs when staff attend local meetings in connection with applications for subdivision plans or consents. In most cases, discussion moves from the specific application into the general area of the need for an official plan, zoning by-law and other components of a planning program.

Many problems encountered by the Branch concern applications for the granting of consents. This is primarily because many land owners lack previous experience with subdivisions and are therefore unfamiliar with Departmental policy on urban development in rural areas. Many rural





municipalities from which consent applications originate have little experience with the implications of scattered growth, since they see only one application at a time.

Official Plans

New official plans were approved by the Minister for the Town of Ingersoll, Town of Durham and Township of Nassagaweya, and by the Ontario Municipal Board for the Township of Ameliasburg. A total of 146 official plans are now in force in Ontario, covering all or parts of 171 municipalities.

The Minister approved 179 amendments to existing official plans. During this period five applications to amend plans were either not recommended for approval or refused approval by the Minister. Of the 225 applications (new plans or amendments) submitted for approval in 1967, two were referred by the Minister to the Ontario Municipal Board under Section 14(4) and 16 were referred under Section 34 of The Planning Act.

Branch staff recognize the importance of rapid action in dealing with applications submitted by municipalities. At the same time, they know the importance of thoroughness in considering the implications of the proposed action. Efforts were increased during 1967 to improve communications and expedite municipalities' applications, by increasing and re-allocating staff and streamlining procedures.

The following survey of submissions approved in 1967 indicates processing time.

TIME OF PROCESSING
(Jan. 1-Dec. 31/67) (Amendments to Official Plans)

<i>Type of Municipality</i>	<i>No of Applications</i>	<i>Less Than 1 Month</i>	<i>1 Month To 2 Months</i>	<i>2 Months To 3 Months</i>	<i>3 to 4 Months</i>	<i>4 Months and over</i>
<i>Cities</i>	48	10	10	15	8	5
<i>Towns</i>	27	—	10	5	6	6
<i>Townships</i>	53	4	25	10	8	6
<i>Villages</i>	2	—	—	—	2	—
<i>Total</i>	130	14	45	30	24	17
<i>% of Total</i>	100%	10.8%	34.6%	23%	18.5%	13%

Eighty-seven per cent of the applications submitted were approved in less than 4 months, 68.4 per cent in less than 3 months, 45.4 per cent in less than 2 months and 10.8 per cent in less than 1 month. This was a considerable improvement over the previous year. Of the 163 amendments dealt with in 1966, 79% were dealt with in less than 4 months, 66.8% in less than 3 months, 37.4% in less than 2 months and 8% in less than 1 month.

Zoning By-Laws

The Branch received 1,529 zoning by-laws during the year for examination. Written comments in 1,450 cases were made either to the municipality, the Ontario Municipal Board, or both.

Staff continued to provide advice on by-laws submitted by municipalities prior to their formal adoption. Forty-four drafts of by-laws were handled in this manner.

Branch staff met with municipal councils and planning boards on many occasions to discuss zoning problems.

Committees of Adjustment

Eighteen new committees of adjustment were formed during the year, bringing the total number of committees for the Province to 247. Rules of procedure, which are required before a committee can operate, were approved by the Minister in 16 instances.

These committees made 4,616 decisions on applications made to them under Section 32(b) of The Planning Act. Of this total, 2,914 applications were granted without conditions, 1,027 were given conditional approval and 675 were refused.

Approximately 4% of the decisions (175) were appealed to the Ontario Municipal Board. Of these, three were initiated by the Minister of Municipal Affairs, 100 by the applicants and 72 by other interested persons.

The number of decisions made by committees in 1967 was up 10 per cent over 1966. This meant a similar increase in review work load for the Branch. Communication between Branch and committees, through correspondence and meetings, has resulted in a substantial improvement in the quality of decisions made by many committees.

Municipal Status and Boundaries Changes

The Branch provides information to the Ontario Municipal Board regarding incorporations and dissolutions of municipalities, and for changes in municipal boundaries. During 1967 information was assembled in connection with 22 annexations, two amalgamations, one incorporation and one change of status from village to town.

One piece of information passed to the Board in such cases is a map indicating the present and proposed boundaries of the municipalities involved. Work commenced in 1967 to prepare maps of this nature, showing the history of boundary changes for various municipalities, in a manner which will permit wider distribution to all interested agencies. It is proposed to make these available in atlas form in 1968.

Population Statistics

An electronic data processing program, which will provide detailed population statistics for Ontario municipalities, was prepared and tested. This project will permit annual publication of individual municipality population statistics for each census period between 1911 and 1966, and assessed population for the last six years. Population change, by time period, for each municipality will also be shown.

Metropolitan Toronto and Region Transportation Study

The Branch continued to work with the staff of the Metropolitan Toronto and Region Transportation Study. Techniques were developed to measure the impact of GO rail transit on the use of land and population distribution in the corridors served by the line.

Nickel Basin Planning Study

In 1966 the Branch engaged a consultant to undertake a reconnaissance study of the Nickel Basin. A report was prepared under the guidance of a joint committee composed of "Basin" representatives, Central Mortgage & Housing Corporation (which provided financial assistance), and the Branch.

The Minister and Branch representatives visited Dowling Township in 1967 to present the results of this study.

The report was distributed widely to obtain views of interested parties concerning planning organization, issues, and further studies, and the development of a program of planning action in the Basin.

Joint Studies

The Branch has, over the past several years, been collecting and analysing population and land use data on a large area basis to assist the Department of Highways in forecasting highway needs and preparing plans for highway construction in various parts of the Province.

During 1967 the Branch initiated a study of the Districts of Manitoulin and Nipissing and parts of the Districts of Sudbury and Timiskaming. Work continued on studies previously initiated in the Kingston, Peterborough, Bruce/Dufferin and Muskoka/Parry Sound areas.

A new approach to the Waterloo Area Study (County of Waterloo and parts of the Counties of Wellington, Halton, Wentworth, Oxford and Perth) was formulated. This study was undertaken in 1966. However, with the establishment of the Waterloo County Area Planning Board, it was decided that the studies involved could be more appropriately carried out in conjunction with the board's work.

The study was prepared and financed jointly by the Department of Municipal Affairs, the Departments of Highways and Economics and Development, the City of Guelph and the Waterloo County Area Planning Board. Cost is estimated at \$170,000.

Other Activities

- Graphic plotting of subdivisions and granting of consents
- Plotting of Quieting Orders
- Orientation visits by new planning staff to municipalities
- Preparation of maps and charts for local government review studies
- Preparation of posters, maps and other illustrative material for workshops and conferences
- Consideration of pipe line applications
- Examination of applications to close roads along or to water
- Review of proposals to sell 5% lands secured under Section 28 of The Planning Act
- Distribution of Branch publications to municipal councils, planning boards and committees of adjustment
- Distribution of questionnaires to planning boards and committees of adjustment

LAW BRANCH

Primary functions of the Law Branch are:

- Provision of advice and legal opinions
- Consideration and preparation of legislation
- Preparation of various legal documents
- Representation of the Department and the Minister on matters before the Ontario Municipal Board

Throughout the year the Branch provided the legal services for the Department and advised other provincial departments on problems of municipal law. Assistance was given to many municipalities and their local boards as well as to the public. The provision of a consulting service to solicitors concerned with municipal problems continued as an important and growing function of the Branch.

The Branch prepared the Department's legislative program. This involved considering proposals, reporting on them to the Deputy Minister and drafting them into statute form. The Branch examined a number of Private Bills and discussed some in detail with the officials of the petitioning municipality. Where the Department's concern with certain Bills or segments could not be resolved with the petitioner either by their withdrawal or modification, it was necessary to present the Department's views before the Private Bills Committee.

The Branch provided legal assistance, when necessary, to other Branches of the Department. This covered a wide range of activities, including preparation of agreements, regulations, order-in-council recommendations and other legal documents. The Branch also passed upon the validity of various by-laws, contracts or other instruments having legal implications.

Staff represented the Minister and the Department before the Ontario Municipal Board on various matters, such as committee of adjustment appeals and assessment equalization appeals.

The Branch considered and prepared reports in connection with petitions filed with the Lieutenant-Governor in Council in respect of the Ontario Municipal Board. This involved consultation with other interested branches, departments, agencies and individuals.

As an aid to municipal officials and other interested persons in keeping abreast of current legislation with municipal significance, the Branch prepared a summary of such legislation enacted at the 1967 Session of the Legislature. This summary was widely distributed within a very few days after the Legislature was prorogued, thus ensuring maximum usefulness.

Branch staff attended various conferences and meetings of municipal officials to read papers or speak on matters affecting municipalities. The Branch also prepared or assisted in drafting various brochures, memoranda, instructions and information for distribution to municipalities and local boards.

MUNICIPAL ACCOUNTING BRANCH

Objectives

- To conduct studies and research to develop municipal accounting and reporting principles and practices applicable to Ontario
- To promote the use of accepted municipal auditing standards and techniques and to administer a system of licensing municipal auditors
- To make available to municipal treasurers and auditors advice and assistance on day-to-day accounting, reporting, auditing, budgeting and finance problems of individual municipalities
- To review the annual audited financial statements of the 964 municipalities in the Province and their local boards, and to discuss them with the individual treasurers and auditors. This is designed to improve the standards of municipal finance reporting, and to facilitate analyses and inter-municipal comparisons of municipal finance information
- To be responsible for special problems arising from the accounting, reporting or financial operations of individual municipalities or local boards

Municipal Accounting Research

This section was established in 1967 to deal more adequately with urgently needed improvements in the financial reporting of municipalities and local boards to promote more effective financial management.

In order to make statements more informative to the reader, two new analyses were introduced into the county annual financial statements for 1967, which will disclose:

- (1) The continuity of the taxes levied by the county, and
- (2) The basis upon which taxes levied by the county were apportioned among its supporting municipalities.

Preparatory to their introduction, these were discussed with members of the advisory committees appointed by the Institute of Chartered Accountants of Ontario and the Association of Municipal Clerks and Treasurers of Ontario.

A study group, composed of senior accounting officers and consultants, continued to review and revise the annual financial statements of municipalities and their local boards. This involved discussions by Branch officers with members of the advisory committees.

Studies to date indicate the need for developing a clear and meaningful financial statement, which will present in summary form pertinent financial information concerning the municipality and certain of its local boards. The project involves not only the development of new reporting concepts and the revised schedules and supporting schedules, but also the preparation of instructions for those municipal officials who prepare the annual financial statements.

Due to staff responsibilities in reviewing the Report of the Ontario Committee on Taxation, it was decided that the form and content of the financial statements of municipalities would, with certain minor modifications, remain unchanged for 1967.

Municipal Auditing Research

Staff commenced a review of the Statutes and Regulations relating to the conduct of the audit of the accounts of a municipality and its local boards. A major objective of the study is to establish a legislative and administrative framework within which municipal auditors will be enabled and encouraged to provide the best possible service to their clients.

Municipal Finance Reporting

In 1967 the Five-Year Financial Review, introduced in 1966, was extended to a six-year review. This Review has provided the reader of the financial statements of a municipality, for the first time, with a comparative summary of the financial highlights of the municipality over a five-year period, as a basis for appraising the information presented in the statements. It will be further extended in each successive year until a ten-year review is provided.

Similarly, the introduction of the Statement of Source and Application of Capital Funds has disclosed, for the first time, the following information:

- The sources of capital financing during the year, e.g. loans from provincial and federal governments, their agencies, and the public
- The purposes for which these funds were expended, such as purchase or construction of municipal, school or utility assets

The introduction of these statements, along with the revision of county statements in 1967, forms an integral part of the overall Branch program to place local government finance reporting on a basis comparable to that which exists in the private sector.

Eleven municipal accounting seminars were conducted throughout the Province to discuss and explain revisions in financial statements. These seminars were attended by 675 clerk-treasurers and treasurers.

Supplementary instructions were issued concerning the preparation of the Source and Application of Capital Funds Statement to provide clarification of:

- Inconsistencies in classifying information
- Treatment of transactions applicable to drainage works

The Branch prepared the Department's submissions to the Eighth Federal-Provincial Conference on Municipal Statistics. Purpose of the first session, convened in April by the Dominion Bureau of Statistics, was to hear provincial representatives' views and to discuss with them improvements in municipal finance reporting which should be incorporated in the next revision of the Bureau's Municipal Finance Reporting Manual. This Manual is intended to establish guidelines to promote uniformity and comparability in the reporting of local government finance information across Canada.

Review of Annual Financial Statements

Improved procedures were instituted during the year to facilitate the review of financial statements of municipalities and local boards, and auditors' reports, filed with the Department. To the extent that staff resources permitted, these were reviewed to:

- Ensure that the statements were prepared as prescribed by the Department, to encourage comparability and uniformity of presentation, and to facilitate inter-municipal comparisons
- Ensure that the provisions of the Statutes were complied with
- Perform a limited review of the municipality's financial position
- Ascertain if the municipality could benefit from Branch advisory services

Advisory Services to Municipal Treasurers

An essential area of Branch responsibility is its advisory services to municipal treasurers. During 1967, municipal accounting advisors visited 231 municipalities to discuss the preparation of financial statements and the annual estimates. In addition, advice and assistance was provided concerning:

- The method of calculating many differing and complex mill rates, including residential and commercial mill rates and special area rates for such services as fire, police, street lighting, garbage collection, sewerage and water

- The establishment of adequate working fund reserves to finance revenue fund expenditures pending the receipt of tax revenues
- Procedures for preparing and presenting the estimates, and the billing and collection of taxes
- The financial inter-relationship between a municipality and its local boards
- The classification of accounts and financial presentation in the annual financial statements

In order to make the advisory services readily available across the Province advisors experienced in municipal accounting were transferred to the Department's regional offices in London and Peterborough.

Advisory Services to Municipal Auditors

During the year municipal accounting advisors visited 54 municipal auditors to discuss specific problems arising in the annual audit of the municipalities.

As previously described, the Research Section is currently reviewing municipal auditing requirements in Ontario. The co-operation and assistance of municipal auditors, who were contacted for their criticisms, suggestions and views, has greatly assisted and influenced the progress of this study.

Services to Others

Senior Branch members served on the Finance Task Force established to consider the recommendations of the Ontario Committee on Taxation.

Staff assisted the Municipal Administration and Organization Branch in preparing the financial statements and supporting schedules for a municipality placed under Department supervision during the year.

Extensive work was done on the administrative and financial aspects of the Province's program of assistance in financing certain capital works which benefitted provincially-owned lands in the areas previously known as Brunetville and Val Albert.

The Branch was represented on the education committee of the Association of Municipal Clerks and Treasurers of Ontario. This is responsible for revising the Association's training course and administering the Department's grant for this purpose. The revision of the first two years of the three-year course has been completed. The third year revision will likely be completed in 1968.

A staff member acted as the Department's Chief Accountant on an interim basis pending a permanent appointment. In addition, another

officer reviewed the Department's internal accounting system and recommended improvements to accommodate expansion and organizational changes.

Close liaison was maintained with other Government departments concerning municipal accounting, reporting, auditing and related matters.

The Branch is represented on three inter-departmental committees dealing with:

- Examination of assessment in unorganized areas
- Analysis of all questionnaires forwarded to the municipalities by any agency of the Province or Canada
- Review of the transfer of cost for the administration of justice from local governments to the Province

Branch officers made presentations during the year at meetings of the Institute of Chartered Accountants of Ontario and the Association of Municipal Clerks and Treasurers of Ontario, department workshops, and the Ontario Conference on Local Government.

The Branch was host to a representative of the Nigerian Civil Service, who was on a program sponsored by the Federal Department of External Affairs to study municipal finance and auditing practices and procedures in Ontario.

MUNICIPAL ASSESSMENT BRANCH

General Responsibilities

- Education and training of municipal assessors
- Maintenance of a manual used to determine the value of real property
- Encouragement and assistance in the establishment of county and district assessment systems
- Compilation of assessment equalization reports for the apportionment of costs among the municipalities in the territorial districts
- Supervision of assessment procedures in designated mining municipalities and improvement districts
- Determination of assessment equalization factors which are used by Government departments in the distribution of subsidies to municipalities or local boards
- Estimating the value of real property which is subject to payment of a grant in lieu of taxes

Professional Training

Through co-operation with the Department of Education, an Assessment Administration Course of Study was initiated this year at the community college level. With the approval of the Institute of Municipal Assessors, this two-year program is available at Seneca, Fanshawe and Loyalist Community Colleges of Applied Arts and Technology. Two, and possibly three, additional colleges will offer a similar course of study in the fall of 1968. A co-ordinating committee, composed of Branch staff and representatives of the assessor's associations, provides the colleges with advice regarding course content and conduct of seminars.

The community college program supplements the successful extra-mural course of study offered through Queen's University.

Practical Training

The Branch has continued its comprehensive training on the methods and procedures set out in the Department's two-volume assessment manual,

Appraisal Notes for the Assessor and The Assessor's Handbook of Cost Factors. The four-phase classroom training is supplemented by field training in all areas of appraisal and assessment theory. Approximately 500 practising assessors have now received this training.

Manual

Many sections of The Handbook of Cost Factors have been up-dated and supplemental sections added to keep abreast of the rapidly changing construction industry.

In addition, the Appraisal Notes have been completely revised and up-dated. Distribution will take place early in 1968.

Licensing

Licensing of municipal assessors, which began January 1, 1966, has resulted in greater control over the quality of assessors and assured municipalities of acquiring capable staff. The regulations provide for three classes of licence—temporary, probationary and regular. Licences were issued to 1,346 assessors in 1966 and 1,297 in 1967.

County and District Systems

During 1967, 24 counties (432 municipalities) and six districts (142 municipalities) were operating under the new centralized assessment system.

The Assessment Branch encourages adoption of these centralized systems and offers substantial grants to assist in defraying the costs. These subsidies include an amount up to \$12,500 toward the salary of the commissioner and his staff, 50% of the cost of office equipment used in processing assessment data up to \$2,500 and 50% of the rental cost of such equipment.

Experience indicates that larger centralized assessment jurisdictions have provided, and will continue to provide, increased equality and efficiency in the assessment of real property in the various municipalities.

Mining Municipalities and Improvement Districts

Through annual visits, Branch officers supervise assessment procedure in those municipalities and improvement districts that receive mining revenue payments. They examine assessment methods and, when necessary, give instructions for adjustments and improvements. Uniform assessment practice is maintained to ensure proper distribution of the mining revenue payments.

Equalization of Assessment Reports

The Branch prepares annual assessment equalization reports for ten of the eleven districts. These form the basis upon which the cost to maintain a district home for the aged and, where applicable, the cost of public welfare, is apportioned among the municipalities concerned.

Valuation for Grant Purposes

Assessment officers from the regional offices estimate the value of all real property, held by the Crown in right of Ontario or its agencies, which is subject to the payment of grant in lieu of taxes. In 1967, valuations were prepared under the provisions of The Municipal Tax Assistance Act for approximately 3,300 urban properties in 646 municipalities and, under the provisions of The Hydro-Electric Power Commission Act, for approximately 4,200 properties in 547 municipalities. In Ontario, 72 per cent of the municipalities received grants in lieu of taxes under one or both of these statutes.

In certain instances, the Government of Ontario pays, on behalf of tenants in provincially owned properties, the real property taxes and other charges levied by the municipalities. The assessments upon which these levies are based are made by the local assessor and are checked by the Branch for equality and consistency.

Maintenance of Assessment Equalization

In order to determine the assessment of all the real property across the Province on a consistent basis, the Assessment Branch has established an extensive program designed to convert the actual assessment, as determined by the local assessor, to a uniform assessment—usually referred to as an “equalized” assessment. This is used to calculate equalized assessment indices for calculating Department of Education grants to local school boards. These indices are also used, to a lesser extent, by the Department of Highways in administering certain aspects of its highway subsidy program.

In order to prepare these indices of equalization, the Branch maintains a province-wide sampling and sales analysis program. Indices are prepared for each of the 938 municipalities and the 401 school sections in territory without municipal organization, by establishing the relationship between the taxable assessment of each taxing jurisdiction as determined by the local assessor and the provincial norm. In 1967 the indices were based upon a comparison of assessment for some 150,000 taxable properties, after analysis of some property sales.

MUNICIPAL FINANCE BRANCH

General Responsibilities

- To analyze the financial position of individual municipalities to meet the mutual needs of the Department and the municipalities
- To analyze, study and report on the various aspects of the financial structure of local governments in Ontario
- To collect, compile and publish municipal financial data
- To secure the development and growth of the Ontario Municipal Employees Retirement System
- To administer the statutes that authorize municipalities or local boards to provide fringe benefits for their employees
- To administer the day-to-day relationship of The Ontario Education Capital Aid Corporation with its borrowers
- To provide an advisory service to municipalities regarding the issue and sale of debentures

Financial Analysis of Municipalities

Two significant developments occurred in the financial analysis program during the year.

1. The new Five-Year Financial Review was included in the annual financial statements of the municipalities, commencing with those for 1966. The Review discloses, in capsule form, the salient features of a municipality's financial position during the five-year period ending with the current year.

2. The Branch started a program of financial analysis of Ontario municipalities. In 1967 this was confined to an evaluation of the position of the municipality's current fund. It was prepared immediately on receipt of the audited financial statement. This limited financial analysis is intended to disclose, at the earliest possible moment, any actual or potential financial difficulties which may exist in a municipality. These analyses have been of considerable assistance to Department field officers.

It is proposed to expand the scope of this program, and considerable progress has been made in developing procedures for analyzing in depth the financial stability of Ontario municipalities.

Financial Analysis of Local Government

THE MUNICIPAL UNCONDITIONAL GRANTS ACT:—A detailed study was made to determine the trends of the revenues, expenditures and tax rates of the municipalities, and the effect of the contribution made to their revenues by the Province through the unconditional grant. Further analysis was made to determine the cost to the Province and the effect on municipalities of alterations in the scales. Subsequently, the Government introduced a revised scale of unconditional grant.

THE MUNICIPAL AND SCHOOL TAX CREDIT ASSISTANCE ACT:—Extensive research was conducted into various means available to assist homeowners in other provinces and the procedures by which they are administered. The feasibility of devising a method to relieve elderly persons of part of the burden of realty taxation was investigated. When the Government adopted a general policy in this matter, the Branch participated in the preparation of the legislation.

Branch staff, in co-operation with the Treasury Department and the Department of the Attorney-General, developed a procedure to administer the system of municipal and school tax credits. Detailed instructions were prepared and issued to municipal treasurers and clerk-treasurers, officials of registration and land titles offices, officers of this Department and the Treasury Department.

BASIC SHELTER EXEMPTION:—In August, the Government announced it would introduce legislation to provide in 1968 a form of basic shelter exemption, as recommended by the Ontario Committee on Taxation. The Branch undertook research to develop procedures for providing this form of relief to realty taxpayers. Studies have been directed to the application of the exemption to realty tax levied on residential property, the position of the tenant, the processing of municipal data and the meeting of cash requirements of the municipalities. Methods are being devised to administer and regulate the procedures for transferring \$150,000,000 from the Province to the benefit of realty taxpayers during 1968.

THE REPORT OF THE ONTARIO COMMITTEE ON TAXATION:—With the co-operation of the Municipal Accounting Branch, finance officers analyzed recommendations in the Report that relate to municipal finance. They filed a detailed report on those recommendations which could be incorporated in the 1968 legislative program.

Reports and Information

The Branch publishes The Annual Report of Municipal Statistics and The Municipal Directory.

The Annual Report of Municipal Statistics contains extensive information regarding the financial position of municipalities, including summaries of their balance sheets and their revenue and expenditure statements, and an analysis of the overall debt of each municipality.

The Municipal Directory, issued in early March, provides an up-to-date listing of the senior elected and appointed officials of the municipalities, officials of the Department of Municipal Affairs, and members of the Legislature.

The Branch collects other data concerning the municipalities and this program is progressively reviewed. The Branch is aware of the burden that providing this information places on municipal officials and attempts to minimize this as much as possible. For 1967 the statement relating to the apportionment of the county rate among the local municipalities has been incorporated in the county's annual financial statement. As a result, the number of returns that the county clerk is required to submit to the Department has been reduced from four to one.

Pensions for Municipal Employees

The Municipal Act provides for the Department to approve the alteration, amendment or repeal of the pension plan of a municipality or local board. The Finance Branch examines and approves proposed by-laws amending these pension plans. The Department is required under The OMERS Act, to approve the amendment of a participation by-law and, under the Regulations, to approve prior service agreements. Branch staff advised the Minister, in his capacity as the Board of OMERS, and provided assistance concerning the administration and development of the System.

During 1967 staff from the Branch and OMERS undertook a study to develop principles on which supplementary benefits would be provided to the municipalities, local boards and their employees. During the latter part of 1967 the authorizing regulation to provide supplementary benefits under The OMERS Act was made. Supplementary benefits, which are optional, will permit an increase in pension benefits for municipal employees up to the level of pension provided to civil servants by the Province.

The Board of OMERS was appointed on January 1, 1968 with a total of 11 members.

The growth and development of OMERS continued in 1967. At the end of the year there were 48,000 members in the System. This comprised the employees of 376 municipalities and 519 local boards, representing an increase of 7,200 members and 37 employers during the year. The assets of the OMERS Fund at the end of 1967 amounted to \$75,000,000, compared to \$51,000,000 at the end of 1966.

Ontario Education Capital Aid Program

The Branch administers the day-to-day business of The Ontario Education Capital Aid Corporation with individual municipalities and school boards concerning the purchase of debentures.

The Corporation is empowered to purchase debentures issued by municipalities and school boards for school board undertakings. It has, in effect, purchased all such debentures issued since its establishment in 1966.

During 1967 the scope of the Corporation's activities was broadened to include the purchase of municipal debentures issued to finance the cost of public libraries and grants to associations for retarded children.

In connection with this program, the Branch also acts as the agent of the municipalities in their statutory relations with the Ontario Municipal Board and The Ontario Education Capital Aid Corporation.

During 1967, 350 Offers to Sell Debentures—representing a total amount of \$173,766,378—were received. These figures reflect the continuing high level of activity in school construction during the year.

THE ONTARIO EDUCATION CAPITAL AID CORPORATION

Summary of Debentures Purchased

	1966		1967	
	<i>Number</i>	<i>Amount</i>	<i>Number</i>	<i>Amount</i>
<i>Metropolitan Toronto</i>	3	\$34,520,000	3	\$24,369,000
<i>Cities</i>	21	24,412,000	47	44,579,000
<i>Towns, Villages</i>	55	14,983,000	74	23,308,000
<i>Townships, improvement districts, counties</i>	88	31,618,000	136	50,479,455
<i>School boards</i>	58	15,564,000	93	29,847,000
	225	\$121,097,000	353	\$172,582,455

The Province makes these funds available to the municipalities and school boards at a rate of interest slightly above the rate at which Ontario borrows from the Canada Pension Plan. The rate of interest on all debentures purchased by the Corporation to November 7, 1967 was 5½%; since that date the rate has been 6½%. The present rate of interest is at least 1% lower than the rates currently prevailing in the public money markets for debentures of most of the municipalities.

Advisory Services

In addition to its responsibilities in connection with The Ontario Education Capital Aid Corporation, the Branch, upon request, assisted approximately 50 municipalities on the issuance and marketing of debentures.

In recent years Canada and Ontario have established programs designed to make available to municipalities substantial sums of money for capital purposes. These programs have greatly reduced the dependence of the municipalities on the public market.

ANALYSIS OF THE SOURCE OF FUNDS BORROWED BY THE MUNICIPALITIES AND THE SEPARATE SCHOOL BOARDS 1956-1967 INCLUSIVE

*Percentage of the total of all funds borrowed
by municipalities and separate school boards
provided by*

<i>Year</i>	<i>Federal Programs</i>	<i>Provincial Programs</i>	<i>The Public</i>
	<i>%</i>	<i>%</i>	<i>%</i>
1956		2.4	97.6
1957		10.3	89.7
1958		12.2	87.8
1959		10.6	89.4
1960		10.9	89.1
1961		7.5	92.5
1962	1.3	12.1	86.6
1963	2.5	9.9	87.6
1964	8.4	9.8	81.8
1965	14.0	10.0	76.0
1966	14.7	37.6	47.7
1967	12.1	47.9	40.0

MUNICIPAL ORGANIZATION AND ADMINISTRATION BRANCH

General Responsibilities

- Provision of assistance and advice to municipalities
- Examination into problems of municipal organization
- Administrative duties with respect to improvement districts and those municipalities placed under the Department's full or partial supervision
- Administration of The Assessment Act regulations concerning mining revenue payments to designated mining municipalities
- Administration of the tax arrears procedure under The Department of Municipal Affairs Act
- Approval of certain types of municipal by-laws

MUNICIPAL ADMINISTRATION SECTION

The primary responsibility of this Section is to provide supervisory, advisory and consultative services to municipalities as follows:

- Supervision of improvement districts and of other municipalities placed under the Department's full or partial supervision, special administrative assignments and statutory approval of certain municipal by-laws
- Administration of The Assessment Act regulations concerning mining revenue payments to designated mining municipalities
- Administration of the tax arrears procedure under The Department of Municipal Affairs Act
- Provision of advice and assistance to municipalities generally and promotion of improved municipal standards of operation and procedure

In addition, advice on specific problems or on general municipal operation is given, on request, to ratepayers, service clubs and other groups, students and the general public.

Improvement Districts

At present there are 17 improvement districts. All but one—Bicroft—are within the territorial districts. Most are served by the Department regional offices at Sudbury and Port Arthur.

Branch service to these municipalities in 1967 included:

- (i) Guidance and assistance in municipal administrative practices and procedures;
- (ii) Supervision of all corporate acts and administrative measures adopted by improvement districts. These include Department approval of the annual municipal budget, approval of levy by-laws, tax demands, tax collection methods including the sale of lands for tax arrears, disposition of assets, contracts and agreements, meeting procedures, and day to day disbursements.

Efforts are made annually to deal with and approve municipal budgets and levy by-laws "on site". This has resulted in a better understanding by Department officers of local problems and needs.

Preparations were made for providing assistance and guidance to Temagami, which became a new improvement district effective January 1, 1968.

Other Supervisory Duties

During the year, nine municipalities' budgets were examined and approved under Ontario Municipal Board Orders concerning issuance of debentures.

The Branch supervised the affairs of the Roman Catholic Separate School Board for the Improvement District of Sioux Narrows in accordance with an Ontario Municipal Board Order issued at the School Board's request. The School Section's financial position has improved considerably. The regional supervisor at Port Arthur is continuing to work closely with the School Board and liaison is maintained with the Department of Education.

The Township of Chapleau applied to the Ontario Municipal Board in 1967, and, as a result, the municipality and its local boards were placed under Department supervision. On-site advice was immediately given to township officials and local boards by the Branch director. The Municipal Accounting Branch assisted by examining and up-dating the township's financial records. A Branch municipal administration supervisor was appointed by council as acting clerk-treasurer, pending a permanent replacement.

Progress has been achieved in the following major matters:

- The 1967 budget, prepared in co-operation with council, was adopted and approved and the tax demands were issued
- Tax arrears were substantially reduced, although measures to further improve the situation are under consideration. Collections for the year represent 75.3% of the outstanding taxes

- Floating indebtedness financing of \$103,000 was approved by the Ontario Municipal Board and arrangements were made for securing the funds
- Capital financing of \$11,000 for high school purposes was arranged through the Ontario Education Capital Aid Corporation
- An over-expenditure of \$125,000 for a water and sewer project was documented and action was taken to obtain the Ontario Municipal Board approvals. Arrangements are being made to obtain Ontario Water Resources Commission approvals. It is expected that long-term financing, as tentatively arranged through the Municipal Works Assistance Program, will continue to apply
- The Municipal Assessment Branch made the 1967 assessment for 1968 taxation purposes and is proceeding with a complete re-assessment of the township

Special Administrative Assignments

At the request of the Department of Education, the Branch has supplied assistance in the administration of Public School Section No. 1, Niobe Lake and Public School Section No. 1, Slaght and Factor, both in the District of Thunder Bay. The Regional Supervisor, Municipal Administration, has also been carrying out the duties of secretary-treasurer for these Sections. This has included administrative visits to the Sections, preparation of the annual budgets, setting of tax rates, issuance of tax notices and collection of taxes.

On June 30 the administration of Public School Section No. 1, Slaght and Factor was taken over by the Department of Education and it was declared a Northern Corps School. The Branch regional supervisor prepared the annual budget and distributed tax demands before cessation of his duties.

By-law Approval

During the year, the Branch handled Department approvals of municipal by-laws for the following:

- Disposition under certain circumstances of land acquired for industrial sites
- Setting of certain licence fees for hawkers and peddlers
- Use of reserve funds for any purpose other than that for which the funds were established
- Assessment of telephone and telegraph companies by a township on the basis of gross receipts rather than on miles of wires and circuits

Designated Mining Municipalities

Administration officers examined and approved annual budgets for the designated mining municipalities that are entitled to certain mining revenue payments.

Annual budgets and levy by-laws were dealt with on site, where possible. These visits provided an opportunity for staff to discuss methods and procedures with local officials and to suggest beneficial changes.

During 1967, grant payments were computed by a revised formula. Total payments to mining municipalities during the year were \$7,945,047.05, as compared to \$5,869,848.55 in 1966.

Three additional mining municipalities were designated in 1967, bringing the total to 61.

Tax Arrears Procedure

The accumulation of tax arrears by a municipality can seriously threaten the economic well-being of the community. Accordingly, municipalities are given specific powers to enforce tax collection. Included in these powers are two methods known as the "tax sale procedure" (under The Assessment Act) and the "tax registration procedure" under The Department of Municipal Affairs Act).

Both systems utilize the sale of lands as the means of recovering tax arrears. Differences lie in the procedures followed and in the role of the Department.

During the year a total of 4,041 documents were processed for approval by regional and head office staff under the tax registration system.

General Municipal Advisory Service

In 1967 the Branch provided an advisory service to municipalities throughout the Province. More than 500 municipalities were visited at least once.

Advice was given concerning:

- Preparation of annual budgets
- Tax levying procedures
- Debenture purchasing and repayment
- Composition of council, board of control and local boards and committees
- Conduct and procedures of meetings of council and boards
- Filling of vacancies on council and boards
- Election procedures
- Preparation of resolutions and by-laws and procedures relating to adoption and enactment
- Provincial grants available to municipalities, boards and commissions

At the request of several communities, the Branch investigated certain aspects of local municipal operation, and issues were resolved.

Branch members accepted invitations to attend local meetings with councils and ratepayers in unorganized territory to discuss procedures and effects of municipal boundary alteration and municipal incorporation.

Regional Offices

Senior administration officers were on staff for the full year at the Department's composite regional offices in Port Arthur, Sudbury and London. These officers serve the following areas:

Port Arthur—The Territorial Districts of Rainy River and Thunder Bay, plus the Townships of Michipicoten and Wicksteed and the Improvement District of White River in the Territorial District of Algoma;

Sudbury—The Territorial Districts of Algoma (excluding Michipicoten, Elliot Lake and White River), Manitoulin and Sudbury;

London—The Counties of Elgin, Essex, Huron, Kent, Lambton, Middlesex, Norfolk, Oxford and Perth.

During 1967, in addition to dealing with 2,481 pieces of correspondence and discussing administrative problems at the regional offices, field officers travelled over 32,000 miles and visited 271 municipalities. Officers attended or participated in 28 conferences, municipal association meetings and workshops.

SPECIAL PROJECTS SECTION

The functions of this Section, known formerly as the Municipal Organization Section, include studies, reports and recommendations in regard to:

- The incorporation of new, and the re-organization of existing, municipalities and local boards
- Changes in status and boundaries of municipalities
- Composition, procedures and functions of municipal councils
- Municipal elections
- Municipal administrative forms and procedures

The Quieting Orders Program

Under the provisions of The Municipal Corporation Quieting Orders Act, municipalities may apply to the Ontario Municipal Board for Orders quieting any doubts respecting their boundaries, legal existence or corporate status.

During 1967 the Branch prepared material for hearings into township boundaries. This involved location, assembly and thorough examination of all available pertinent material, visits to municipalities to determine any necessary corrections, and subsequent preparation of boundary descriptions on a county basis where possible.

The first stage in the Department program, completed several years ago, was to secure Quieting Orders for the organized townships in the Territorial Districts and in the Provisional County of Haliburton.

The second stage, currently underway, concerns townships in the counties. Boundary descriptions have now been prepared for all of the townships in the counties east of York County plus the townships in the Counties of Simcoe, Grey, Bruce, Huron, Haldimand, most of Welland, and the front (on the lake) townships of Norfolk. Work has been done on descriptions for the front townships of Elgin.

Of the 419 townships within the counties, boundary descriptions have been prepared for 270.

During the year, 30 applications for Quieting Orders, supported by requisite documentation and material, were submitted to the Ontario Municipal Board; visits were made to 103 municipalities and staff attended Board hearings in respect to 18 applications. Assistance was also given, at the request of several municipalities, in arranging for the publication of the Board's Notice of Hearing and in preparing and presenting to the Board affidavits regarding this publication. Twenty-eight new applications were received in the Department during the year.

Provincial Grants Handbook Revision

The second annual revision (88 pages) of the Department's publication "Provincial Assistance to Municipalities, Boards and Commissions" was completed and distributed.

Other Projects and Activities

During 1967 the Branch assembled and presented pertinent information to the Ontario Municipal Board on behalf of Temagami. This included development of pro-forma municipal budgets and information indicating the financial impact of incorporation on the residents. Comparisons were also made with the existing local taxation situation. Several meetings were held with representatives of Temagami to clarify and review all material.

Public meetings were also held with local groups and residents to explain current developments in the area and the probable effects of municipal incorporation.

The subsequent Decision and Order of the Board provided for incorporation of the Improvement District of Temagami, effective January 1,

1968, with boundaries and area as recommended by the Department. Appointment of the three trustees has been made by the Lieutenant-Governor in Council.

Assistance was provided to Ear Falls where, as in Temagami, an urgent need for additional housing was generated by greatly accelerated mining activity. At the invitation of the Ear Falls Chamber of Commerce, Branch officers attended a public meeting to explain the procedures necessary for municipal incorporation and to answer questions.

Other activities of the Section included:

- Attendance at local meetings of ratepayers and municipal councils regarding municipal incorporation, change of municipal status or boundaries, dissolution and related matters
- Reports on the content and probable effects of certain municipal association resolutions and recommendations
- Study into the feasibility of a central registry for municipal voting (preliminary analysis)

GENERAL BRANCH OPERATIONS

During 1967 Branch officers took part in several municipal workshops arranged by the Department. In addition, they represented the Department as observers, speakers or panel members at various meetings, seminars and conventions of municipal associations and other groups concerned with municipal affairs.

The Regional Municipal Administration Supervisors at Sudbury and London served as members on the Provincial Regional Development Advisory Boards in their regions.

Branch officers also participated in the work of various committees, which included:

- The Mining Revenue Payments Committee,
- The Federal-Provincial Committee on Indians,
- The Interdepartmental Committee on Indians,
- The Ontario Interdepartmental and Advisory Committee on Aging,
- The Administrative Committee on Townsites.

The Branch annually assists in the review of proposed changes in the legislation affecting municipalities, submits recommendations and contributes in the review of special committee recommendations such as the Report of the Ontario Committee on Taxation.

MUNICIPAL RESEARCH BRANCH

The Municipal Research Branch has a two-fold purpose:

- To carry out research into any area in which the Department of Municipal Affairs exercises responsibility, and to report the conclusions of this research to the appropriate policy-making officers of the Department
- To co-ordinate the various specialized research studies undertaken in many other Branches

General Responsibilities

- To study and report upon any proposals for the reallocation of municipal responsibilities, or changes in the structure of municipal government
- To study and report upon the program and fiscal effects upon municipalities of existing or proposed provincial financial aids to local government
- To provide research facilities and background data to local government review commissions
- To exchange information and the results of research studies with other Branches, Departments, and outside agencies
- To undertake special research and statistical studies in any area of municipal affairs

Local Government Reviews

Currently, this Department is engaged in the review of local government organization and structure in several areas of the Province.

During 1967 the Municipal Research Branch increased its participation in the collection and interpretation of background information for these reviews. The Branch prepared background material for Commissioners in the Waterloo and Muskoka review areas. A staff member has been appointed research director for the Hamilton-Burlington-Wentworth Local Government Review, and is responsible for preparing and publishing research material for the Commission.

In addition, the Branch prepared a book of information on the Brant area—"Brant Area Local Government Review Basic Information"—which will form the basis for a local government review covering the City of Brantford and the municipalities in Brant County.

Mining Revenue Payments

In late 1966, the Prime Minister of Ontario appointed a special committee to study and report upon the existing program of special subsidies to mining municipalities. The Director of the Municipal Research Branch was named Chairman of the Committee.

On behalf of the Committee, the Branch prepared several studies on the adequacy and distribution of funds under the existing formula, and under possible alternative formulae. The Committee submitted a report to the Prime Minister in early 1967. This report, which was accepted with minor modifications, now forms the basis for payments to designated municipalities.

Economic Base Studies

In order to measure the organizational and fiscal strength of local governments, it is necessary to evaluate the economy upon which a municipality is based. During 1967 several such studies were undertaken. Results are still highly tentative because of the lack of detailed economic data on a municipal basis. Further study in this field is a continuing long-term project of the Branch.

Research Liaison

Since good research cannot be done in isolation, the Municipal Research Branch devoted considerable time in its first year of operation to exchanging ideas and information with other provincial agencies. In particular, the Branch worked closely with the Department of Economics and Development in two main fields of common interest—local government reviews and regional development.

A Branch member was designated Provincial representative on the Canadian Council on Urban and Regional Research (C.C.U.R.R.), a body devoted to fostering research into problems of urban communities and their regions. Our representative was a member of a special research programming committee asked to delineate areas of future research emphasis for C.C.U.R.R.

As a result of the growing need to co-ordinate the increasing number of research activities in the social sciences, attempts have been made to classify research in various fields, including local government. In 1967 the Municipal Research Branch acted as Departmental contact for two major

research inventories, one by the Regional Development Branch, Department of Economics and Development, and one by the Canadian Council on Urban and Regional Research.

In 1967 the Research Branch acted as liaison between the Department and the Bureau of Municipal Research centennial project, "The Centennial Study and Training Programme on Metropolitan Problems". In August this project culminated in a highly successful ten-day conference in Toronto, attended by representatives from 40 of the world's largest metropolitan areas.

Intergovernmental Relations

The Branch was involved in three major excursions into federal-provincial relations. In April a Branch member attended a Provincial conference on municipal finance reporting matters, sponsored by the Dominion Bureau of Statistics. In November the Branch provided part of the technical support at a federal-provincial meeting on problems arising out of the Winter Works Incentive Program. Finally, in December, the Branch helped prepare for the Federal-Provincial Conference on Housing and Urban Development.



MUNICIPAL SUBSIDIES BRANCH

Objectives

The Municipal Subsidies Branch administers most of the loan, shared-cost and subsidy programs for which the Department is responsible by:

- Maintaining a thorough knowledge of those Acts and Regulations which authorize payment of the subsidies and, where necessary, recommending amendments
- Keeping abreast of the related administrative and accounting practices of the municipalities and the Province
- Developing the policies and procedures used to administer the subsidy programs and preparing instructional material for distribution to the municipalities
- Maintaining liaison with federal, provincial and municipal officials, concerning all aspects of the programs
- Verifying claims submitted by the municipalities and local boards. In many cases, this includes an examination of their accounts and records

Municipal Works Assistance Program

Processing of final loan payments continued through 1967 in connection with this federal-provincial-municipal program, designed to increase employment from 1963 to 1966.

Of the 680 projects for which Commitments to Make a Loan have been issued totalling \$136,770, 646 loans amounting to \$116,498 have been made to December 31, 1967. Forgiveness totalling \$22,705 has been granted.

Program participation involved 129 (or 38 per cent) of the cities, towns and villages, including Metropolitan Toronto; 82 (or 13 per cent) of the townships, improvement districts and counties; and 47 separate school boards.

\$122,000,000 was committed to urban projects by the end of 1967. Twenty-five per cent represents the provincial share.

PROJECTS FINANCED

<i>Type of Project</i>	<i>Number</i>	<i>Amount of Loan \$'000</i>
<i>Municipal</i>		
<i>Buildings</i>	106	17,855
<i>Arenas, skating rinks and pools</i>	21	2,056
<i>Water, sewage and drainage facilities</i>	183	19,281
<i>Roads, streets and sidewalks</i>	84	6,104
<i>Bloor Danforth Subway-Metropolitan Toronto</i>	1	29,482
<i>Unclassified</i>	12	584
	407	75,362
<i>Schools</i>	273	61,408
	680	136,770

Municipal and School Tax Credit Assistance Act

This Act, which came into force January 1, 1967, established a system of loans to assist elderly home-owners in paying their real estate taxes. A person, 65 years of age or more, who uses the real property as his personal residence and is the owner or the owner's spouse, is eligible to receive this assistance.

Assistance is made by the municipality through the granting of a tax credit of one-half of the realty taxes imposed with respect to residential or farm property, to a maximum of \$150 per year. A lien is registered against the real property as security for the loan and the municipality is reimbursed by the Province. The amount of the tax credit is normally repayable to the Province when ownership of the property is transferred.

PARTICIPATION IN 1967

	<i>Number of Municipalities</i>	<i>Applications</i>	<i>Amount Reimbursed \$'000</i>
<i>Cities</i>	28	874	121
<i>Boroughs</i>	5	512	75
<i>Towns</i>	42	136	18
<i>Villages</i>	13	7	1
<i>Townships</i>	34	126	17
<i>Improvement Districts</i>	2	7	1
	124	1,662	233

Centennial Grants Program

Final grant payments are now being processed for this federal-provincial-municipal program which is essentially finished. Some 747 projects were approved with an estimated grant entitlement totalling \$11,911,000. By the end of 1967 actual grants, amounting to \$8,758,000, had been paid with respect to 691 projects.

ANALYSIS OF PROJECTS

<i>Type of Project</i>	<i>Number</i>	<i>Estimated Amount of Grants \$'000</i>
<i>Parks and playgrounds</i>	333	3,701
<i>Buildings, usually a modification to provide for broader community activities</i>	112	784
<i>Libraries and museums</i>	101	1,287
<i>Community and cultural centres</i>	90	2,696
<i>Arenas, skating rinks and pools</i>	60	2,684
<i>Publications of local histories</i>	21	90
<i>Buildings of architectural or historic significance</i>	5	548
<i>Unclassified</i>	25	121
	747	11,911

Winter Works Incentive Program

Winter unemployment is a continuing problem which this federal-provincial-municipal incentive program has helped to alleviate. The 1966-67 program covered the period from November 1, 1966 to April 30, 1967. A municipality receives a reimbursement of 50% from Canada and 25% from Ontario on direct payroll costs incurred on accepted projects. A municipality within a Designated Area or Area of High Winter Unemployment may receive an additional 10% from Canada and 5% from Ontario.

REIMBURSEMENT TO MUNICIPALITIES (1965-66 PROGRAM)

<i>Type of Project</i>	<i>Number</i>	<i>Amount \$'000</i>
<i>Roads, streets and sidewalks</i>	168	649
<i>Water, sewage and drainage facilities</i>	274	6,298
<i>Parks and playgrounds</i>	202	1,414
<i>Buildings</i>	170	1,917
	814	10,278

PARTICIPATION FOR SELECTED PERIODS

Program	Number of				Reimbursement		
	Municipalities	Pro-jects	Man-days of work	Direct Payroll Costs	Ontario		Index (1) of Change
					Canada	Amount	
			'000	\$'000	\$'000	\$'000	
1958-59	186	579	310	3,990	1,995	945	100
1963-64	343	1,084	604	10,921	5,599	2,622	277
1964-65	296	911	632	12,514	6,365	2,974	315
1965-66	317	814	630	13,800	6,942	3,336	353
1966-67 (2)	331	805	600	13,175	6,650	3,200	339

(1) 1958-59=100

(2) Estimated

Municipal Unconditional Grants Act

This Act authorized the payment of three different subsidies:

(1) THE UNCONDITIONAL PER CAPITA GRANT—This grant, based on a determined population, assists municipalities with the cost of providing municipal services.

A 1967 amendment to the Schedule of the Act increased the rates payable to all classes of municipalities by \$1.50 per capita. The grant, which now ranges from \$3.50 to \$7 per capita, must be applied to reduce the taxes levied against residential and farm assessment.

PAYMENTS 1963-1967

	1963	1964	1965	1966	1967
Amount (\$'000)	24,476	24,652	25,576	26,080	37,753

(2) HOSPITALIZATION OF INDIGENTS—During 1967 these subsidy payments totalled \$1,947,000, a decrease from the total of \$2,013,000 in 1966. The annual grant is calculated at 80 per cent of the municipality's expenditures on behalf of indigent persons in the previous year, including premiums payable to the Ontario Hospital Services Commission. To encourage the municipality to recover the costs involved from persons legally responsible, the Act authorizes it to retain 50 per cent of any amount so recovered.

In certain Districts, District Welfare Boards are being established. Where this occurs, the grant entitlement is payable to the established Board rather than to the constituent municipalities. Grant payments were made to four such Boards in 1967.

ANALYSIS OF PAYMENTS 1963-67

<i>Number of:</i>	<i>1963</i>	<i>1964</i>	<i>1965</i>	<i>1966</i>	<i>1967</i>
<i>District Welfare Boards</i>			1	2	4
<i>Municipalities</i>	190	202	210	221	182
<i>Amount (\$'000)</i>	1,957	1,999	1,961	2,013	1,947

(3) ADMINISTRATION OF JUSTICE IN A COUNTY WITH AN INDIAN RESERVE—Grants totalling \$13,000 were approved last year to assist counties containing an Indian Reserve with their costs for administration of justice. Payment is \$1 per capita of the population of the Indian Reserve.

Fire Departments Act and The Police Act

Purpose of these grants is to assist in providing pensions and in respect of workmen's compensation.

The rate of subsidies is: 25% where the population is less than 10,000; 20% where the population is from 10,000 to 24,999; 15% where the population is from 25,000 to 69,999 and 10% where the population is 70,000 and over.

ANALYSIS OF PAYMENTS 1963-67

	<i>1963</i>	<i>1964</i>	<i>1965</i>	<i>1966</i>	<i>1967</i>
<i>The Fire Departments Act</i>					
<i>Number of municipalities</i>	311	315	322	289	281
<i>Amount paid (\$'000)</i>	150	286	269	281	316
<i>The Police Act</i>					
<i>Number of municipalities</i>	186	193	175	202	203
<i>Amount paid (\$'000)</i>	286	320	361	416	512

Drainage Act

This is, essentially, a rating Act which authorizes a municipality to construct, improve, repair and maintain a drainage works and to finance and rate its cost against the benefitting owners. It also authorizes the payment of a grant to a municipality in respect of assessments against its agricultural lands.

The grant entitlement is $33\frac{1}{3}$ per cent if the drainage works is in a county, and $66\frac{2}{3}$ per cent in a district or provisional county. Where a drainage works is in territory without municipal organization the Province may pay an amount up to 80 per cent of the assessments against the benefitting agricultural lands.

PROGRAM PARTICIPATION 1963-67

	1963	1964	1965	1966	1967
<i>Number of municipalities</i>	124	118	110	137	140
<i>applications for grant</i>	518	449	401	487	527
<i>Amount paid (\$'000)</i>	625	599	608	391	1,247

Municipal Tax Assistance Act

The Act authorized payments to the municipalities in lieu of taxes on certain Provincial properties, to be determined at the commercial mill rate for general municipal purposes. A municipality is generally entitled to a payment in lieu of taxes on land and buildings owned and occupied by Ontario and used for legislative, executive and administrative purposes. Payments in lieu of taxes are not made to municipalities on land and buildings used for a number of purposes, such as: education, hospitalization, reform institutions, parks, forests and certain other types of public use.

PAYMENTS 1963-1967

	1963	1964	1965	1966	1967
<i>Amount (\$'000)</i>	1,496	1,614	1,938	2,488	2,449

Planning Act

Under this Act, the Province may enter into an agreement with a municipality to provide assistance toward the cost of urban renewal. The Ontario share of the assistance is equal to 25 per cent of the eligible cost of the project while Canada, under separate agreement, provides 50% of such cost.

PAYMENTS 1963-1967

	1963	1964	1965	1966	1967
<i>Number of municipalities</i>	4	4	5	7	12
<i>Amount paid (\$'000)</i>	735	995	1,229	1,208	1,681

Assessment Act

This Act authorizes payments for four programs:

- (1) PAYMENTS TO MINING MUNICIPALITIES—A new basis for calculating these mining revenue payments has resulted in an increase in 1967 of approximately \$2 million over 1966 payments. The Municipal Organization and Administration Branch is responsible for determining entitlement for these payments.

PAYMENTS 1963-1967

	1963	1964	1965	1966	1967
<i>Number of municipalities</i>	59	59	59	59	60
<i>Amount paid (\$'000)</i>	5,909	6,022	5,808	5,869	7,946

(2) ASSISTANCE FOR REGIONAL ASSESSMENT—This Act provides for a subsidy to a county or municipality in a district which adopts the regional assessment system. Assistance is granted toward the salaries of assessment officers and staff and towards the purchase price or rental of office equipment.

PAYMENTS 1963-1967

	1963	1964	1965	1966	1967
<i>Number of Counties</i>	38	37	37	38	38
<i>Districts</i>	—	—	1	4	6
<i>Amount paid* (\$'000)</i>	66	58	127	281	587

*Includes \$1,500 toward the salary of each county assessor.

(3) ASSESSMENT IN UNORGANIZED TERRITORIES—Payments under this section are made to compensate the district assessors for the direct costs of assessing properties located in school sections in unorganized territories of the Province.

PAYMENTS 1965-1967

	1965	1966	1967
<i>Number of Districts</i>	2	6	6
<i>Amount paid (\$'000)</i>	30	122	275

(4) TENANT OCCUPIED PROVINCIAL PROPERTY—Provincial properties rented to tenants are not exempt from municipal taxation.

TAXES PAID 1963-1967

	1963	1964	1965	1966	1967
<i>Amount (\$'000)</i>	528	514	497	460	884

Orderly Development in Unorganized Territory

This grant provides assistance towards the cost of planning and development with respect to certain unorganized areas of the Province.

	PAYMENTS 1965-1967		
	1965	1966	1967
<i>Amount (\$'000)</i>	84	232	202

Other Subsidies

	PAYMENTS 1963-1967				
	1963	1964	1965	1966	1967
<i>Amount (\$'000)</i>	12	11	10	11	13

Administration

Branch officers administer one provincial and one federal-provincial loan program, three federal-provincial subsidy programs and nine provincial subsidy or grant programs.

Under these programs, in 1967, \$42 million was loaned to municipalities and separate school boards and \$71 million was transferred to municipalities as subsidies or grants.

To establish eligibility for entitlement, with one exception, the municipality or separate school board must file an application or claim with the Branch. Branch officers pass upon each application or claim on behalf of the Province. This involves correspondence and discussions with municipal officials throughout Ontario. For certain programs, the staff visit the municipality to examine its accounts and records.

SUMMARY OF SUBSIDIES

For the fiscal year ending March 31st
(in thousands of dollars)

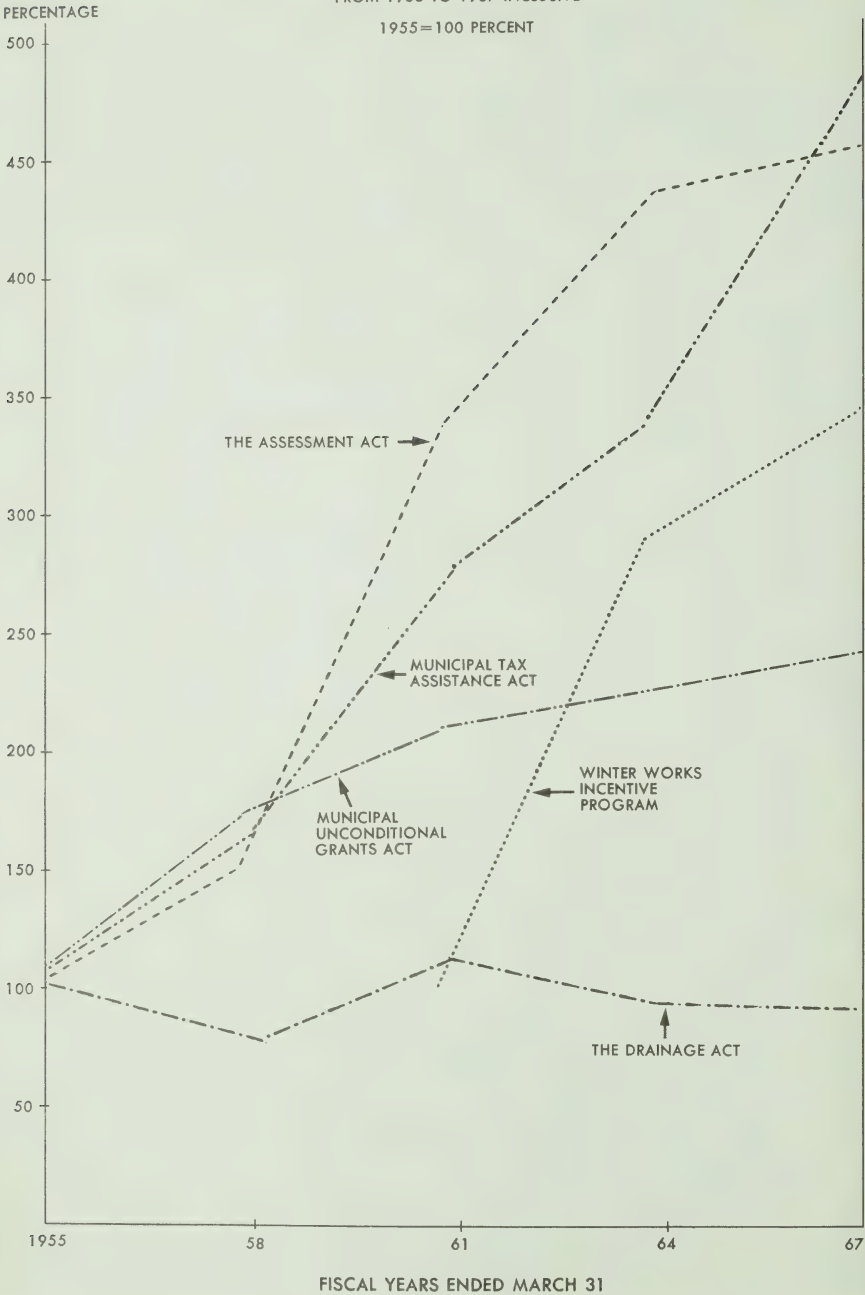
	1955	1958	1961	1964	1967
<i>The Municipal Unconditional Grants Act</i> <i>unconditional per capita, hospitalization of</i> <i>indigents, and administration of justice on an</i> <i>Indian Reserve</i>	11,638	20,670	24,979	26,240	28,023
<i>The Assessment Act</i> <i>payments to mining municipalities, assistance</i> <i>for regional assessment, assessment in unor-</i> <i>ganized territories and tax payments on pro-</i> <i>vincially-owned tenant-occupied properties</i>	1,540	2,330	5,227	6,591	7,124
<i>The Municipal Tax Assistance Act</i> <i>payments in lieu of taxes</i>	448	788	1,232	1,584	2,168
<i>Unclassified</i> <i>payments under The Fire Departments Act and</i> <i>The Police Act, orderly development in un-</i> <i>organized territory and fox bounties</i>	237	298	419	495	982
	13,863	24,086	31,857	34,910	38,297
<i>The Drainage Act</i>	709	530	800	684	674
<i>The Winter Works Incentive Program (1)</i>			3,620	10,269	10,284
<i>The Planning Act</i> <i>assistance toward urban renewal</i>			775	374	1,897
<i>The Confederation Centennial Act (1)</i>					3,056
	709	530	5,195	11,327	15,911
<i>Total</i>	14,572	24,616	37,052	46,237	54,208

(1) Includes the Federal contributions

DEPARTMENT OF MUNICIPAL AFFAIRS

PERCENTAGE INCREASE IN CERTAIN SUBSIDIES
FROM 1955 TO 1967 INCLUSIVE

1955=100 PERCENT



SYSTEMS DEVELOPMENT BRANCH

This Branch was established during 1967:

- To provide technical and managerial leadership to municipal officials on data processing matters
- To meet the Department's increasing responsibilities in processing data originating in Ontario municipalities
- To provide internal systems development services to line branches of the Department

Due to the urgency of examining certain problems relating to the processing of municipal data on electronic data processing equipment, the Department engaged a firm of consultants to prepare an initial appraisal of its responsibilities and to assist on certain specialized topics.

A Branch director was appointed in September. Recruiting of systems officers began in late December.

Objectives

- To establish a consulting service to provide managerial and technical guidance to municipal officers in the identification and solution of systems problems, in the development of systems ranging from manual to computer applications and in the effective use of data processing equipment
- To investigate the feasibility of generalized municipal computer applications and programs for use by groups of municipalities and, if feasible, to develop and implement same
- To study, design and implement systems for the collection, processing and retrieval of municipal data for analysis by the Province and other interested groups
- To examine and identify potential improvements in existing internal systems and develop new administrative systems and procedures in the Department and the Ontario Municipal Board

Achievements

During the last three months of the year progress was made in the following areas:

- Initial review and appraisal of the statements, returns and questionnaires requested of the municipalities by provincial Departments
- Establishment of administrative relationships with the Ontario Computer Centre and the Ontario Statistical Centre, and of advisory relationships with the Assessors' Data Processing Committee
- Examination of potential data processing problems associated with some of the recommendations in the report of the Ontario Committee on Taxation
- Tasks associated with the establishment of a Branch, particularly the recruitment of experienced officers.



INFORMATION AND EDUCATION SERVICES

General Responsibilities

- To serve as the central source of information about the Department and the official channel of communication between the Department and the public
- To bring to public attention, through appropriate media, significant facts, opinions and interpretations which will serve to keep the public aware of Department policies and actions
- To co-ordinate Department activities which affect the relations of the Department with the general public or with special public groups
- To plan and administer educational programs designed to fulfill the above responsibilities
- To collect and analyze information on the changing attitudes of key public groups toward the Department

Special Events

Centennial projects and a number of special events made 1967 a busy year for the Information and Education Services, particularly in the area of public relations activities.

Two major conferences were arranged by I and E staff this year, the first being the Inter-provincial Meeting of Ministers and Deputy Ministers of Municipal Affairs, held at the Royal York Hotel in Toronto, July 20 to 22. Staff involvement included details of facility and program arrangements, liaison with delegates, and media, a ladies' program, and social activities, including a trip to Niagara Falls at the conclusion of the conference.

Two staff members acted as public relations consultants for the Centennial Study and Training Programme on Metropolitan Problems, sponsored by the Bureau of Municipal Research at York University, Toronto, in August. Delegates from 40 of the largest metropolitan areas in the world attended this two-week conference. I and E staff arranged many of the conference details and were loaned to the Bureau for the period of the

*citizens of Ontario received certificates signed
Minister of Municipal Affairs after completing
courses in municipal affairs, sponsored by the
Conference on Local Government. In 1967
ere held in Brantford, St. Catharines, Galt
akehead.*

conference. They also took charge of those delegates who went on to Montreal for a reception at the Ontario Pavilion at Expo' 67.

In November two staff members participated on the public relations staff at the Ontario Pollution Control Conference in Toronto.

INFORMATION SECTION

Writing

Professional staff writers and editors supplied material on request for speeches, radio and TV scripts for the Minister, Deputy Minister and others. Many of the speeches were used at openings of Centennial projects and buildings.

Considerable editing and proofreading was done on Department publications at the request of the various Branches, and several articles were supplied at the request of outside publications.

I and E staff prepared the Annual Report for publication and began work on two Departmental publications to be produced in 1968. In addition press releases were written and distributed concerning various Department and government activities.

Staff also prepared a summary of the history of local government in Ontario, for use at the Ontario Good Roads Association seminar in February 1967.

Research

Two large research writing tasks were completed. One involved historical data concerning municipal affairs in Canada; the second project concerned research for a teachers' booklet on municipal affairs in Ontario.

Other

Many requests were received for information and assistance, particularly from teachers and students interested in knowing more about the forms, structure and operation of local government in Ontario. All requests were answered, and, when necessary, letters were referred to appropriate Branches for technical information and assistance.

Municipalities in Ontario continued to send in a steady stream of information about their communities, all of which is being used to build up speech material files. This was also augmented by a daily clipping service carried out by various staff members.

Summaries of various Conference papers were prepared at the Minister's request. Staff members also attended a number of conferences throughout the year, as well as annual meetings of those organizations most closely allied with municipal affairs. In addition, staff continued their liaison with various media across the province.

I and E staff also arranged a tour of Toronto for a group of high school students from Amherst, N.Y., in co-operation with the Department of Tourism and Information.

EDUCATION SECTION

Courses

I and E staff continued to participate, as members of the Ontario Conference on Local Government, in operating municipal affairs courses throughout the province.

During 1967 such courses were held in Brantford, St. Catharines, Galt and the Lakehead and all proved most successful. Staff continued to build up the Speakers' Bureau and arranged speakers for the four courses.

In addition, the I and E Chief participated in the Conference review of course topics. These have now undergone extensive revision and the new topics will be used in the four courses planned for the Spring of 1968.

I and E staff co-ordinated the public relations for all courses and carried on correspondence with the local committees, speakers and central Conference representatives. Many requests for courses were received by the Department and passed along to the Conference.

Workshops

During the year staff made physical preparations for and participated actively in six Department workshops. These workshops are held every year, usually on request, and are held on a county or district basis. All line Branches of the Department are represented at these two-day workshops, with the main purpose being the improvement of communication between the Department and the municipalities as well as among the officials of the municipalities themselves.

In 1967 workshops were held in the Counties of Norfolk, Northumberland-Durham, and Wellington and the Districts of Timiskaming, Algoma and Parry Sound. Questions and answers were recorded and copies were sent out on request.

Staff also attended and reported on workshops held by various municipal organizations.

Exhibits

Department exhibits were prepared and displayed at the Lakehead Exhibition and the Canadian National Exhibition. In the latter case, arrangements were made for the staffing of the exhibit and answers sent out to all questions recorded at the exhibit booth.

Films

During 1967 staff completed a film viewing program begun the previous year.

In addition, a film commentary was written for the Minister to use at the Ontario Good Roads Association seminar in February 1967.

LOCAL GOVERNMENT REVIEWS

The purpose of a Local Government Review is to investigate and report on all aspects of local government organizations and functions in a given area of the Province.

Recommendations contained in the report may call for revisions in the existing system with respect to structure of local government and the services required to meet the needs of citizens more effectively. These recommendations are based upon an independent study and analysis of the existing situation and considered views of municipal councils, boards and commissions, various private organizations and individuals and the frank discussions of these submissions at public hearings.

Eight local government reviews have been undertaken. Final reports were received by the Minister prior to 1967 for three areas: (a) Ottawa, Eastview, Carleton County; (b) Niagara Region; and (c) the Counties of Peel-Halton.

An inter-municipal committee was set up in 1967 to meet with Department staff on alternate proposals made by the Minister on the report for Ottawa, Eastview and Carleton County. The purpose of this committee was to resolve any differences which might stand in the way of the proposed alternatives. Agreement was reached on such matters as finance, organization and representation.

The final report for the Lakehead Local Government Review, announced in September 1965, will be made to the Minister early in 1968. This involves Fort William, Port Arthur and the Townships of Neebing, Paipoonge and Shuniah.

The Brant Area Local Government Review, including the County of Brant and the City of Brantford, will operate through a local committee of municipal representatives appointed in November 1967. This committee will prepare and distribute alternative proposals for municipal reorganization in the area. The Data Book compiled by the Research Branch of this Department in May 1967 will be used in the preparation of submissions setting forth the views of municipal authorities and community organizations regarding the proposals of the committee.

The Muskoka District Local Government Review, announced in May 1967, includes all the municipalities in the District of Muskoka. Due to

the multi-purpose role of this area, a liaison committee was appointed through the Muskoka District Council. This included representatives from municipal councils, cottagers' associations, tourist and resort operators' organizations, and business and industrial interests. Preparation of the Data Book, to be completed early in 1968, will be followed by public hearings.

The Waterloo Area Local Government Review, announced in November 1966, includes the County of Waterloo and the cities of Kitchener, Waterloo and Galt. Here, also, a committee of municipal representatives have co-operated in a survey of municipal organizations and functions contained in the Data Book, distributed in July 1967. Arrangements have been completed for public hearings on briefs submitted by local authorities and private agencies, to commence in January 1968.

The Hamilton-Burlington-Wentworth Local Government Review was announced in August 1967. Material for the Data Book is being assembled by the Research Branch of the Department. Meetings are taking place with municipal councils to inform them of the review's progress and how councils and their staffs may participate.

Experience gained from the earlier Reviews has indicated that a greater participation is warranted, not only by the municipalities but by the Department staff, during the course of the Review. It is also anticipated that, where any municipal re-organization is involved, more Department resources and personnel will be required during the pre-implementation period to resolve minor differences and prepare for the transitional stage.

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(Ontario Department of Municipal Affairs, Department)

1968) ANNUAL REPORT





ANNUAL REPORT

1968

DEPARTMENT OF MUNICIPAL AFFAIRS

ONTARIO



THE HONOURABLE W. DARCY MCKEOUGH
Minister of Municipal Affairs

MINISTER OF MUNICIPAL AFFAIRS

AND MEMBER OF LEGISLATIVE ASSEMBLY FOR CHATHAM-KENT

OFFICE: TORONTO 416/365-1864 - CHATHAM 518/352-7110 - RESIDENCE: 519-878-5886



801 Bay Street,
Toronto 5, Ontario.

April 1, 1969

The Honourable W. Ross Macdonald
Lieutenant-Governor of the Province of
Ontario

Your Honour:

The undersigned has the privilege
of submitting for the information of Your
Honour and the Legislative Assembly, the
Annual Report of the Department of Municipal
Affairs.

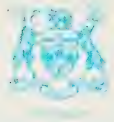
Respectfully submitted

A handwritten signature in blue ink, appearing to read "W. Darcy McKeough", with a horizontal line underneath.

W. Darcy McKeough
Minister

DEPARTMENT OF MUNICIPAL AFFAIRS

801 BAY STREET • TORONTO 5, ONTARIO • 365-1527



Office of the Deputy Minister

TO THE HONOURABLE W. DARCY McKEOUGH
MINISTER OF MUNICIPAL AFFAIRS

I have the honour to present to you the
Thirty-fifth Annual Report of the Department
of Municipal Affairs for the calendar year
ended December 31, 1968. This Report is
presented in accordance with section 5 of
The Department of Municipal Affairs Act.

Respectfully submitted,

A handwritten signature in blue ink, reading "W.H. Palmer".

W.H. PALMER
DEPUTY MINISTER

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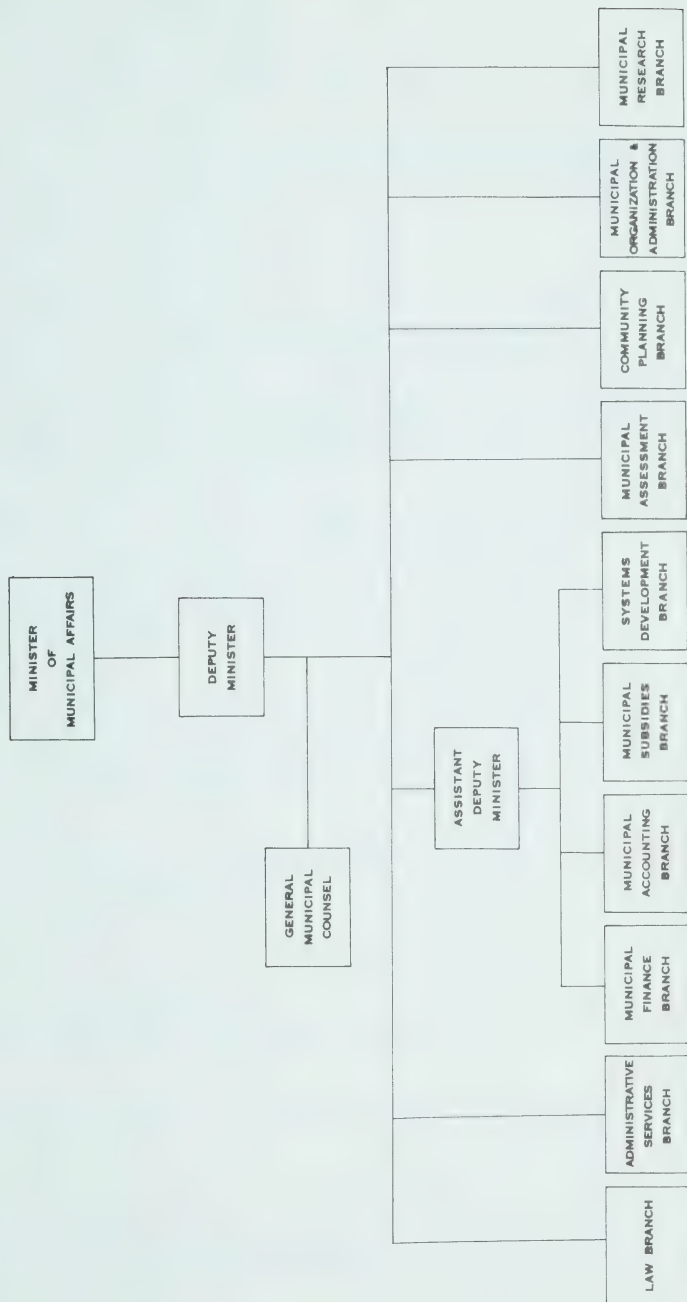
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DIRECTORY

Minister	HON. W. DARCY MCKEOUGH
Executive Assistant	D. A. BRATTON
Special Advisor	L. R. CUMMING, Q.C.
Deputy Minister	W. H. PALMER
Executive Officers	V. BOZZER
	A. N. DUNNE
Chief, Information & Education Services	J. M. MAIN
Assistant Deputy Minister	PAUL HICKEY
General Municipal Counsel	C. W. YATES, Q.C.
Director, Administrative Services Branch	W. G. RITCHIE
Director, Community Planning Branch	D. F. TAYLOR
Director, Law Branch	J. W. BELL, Q.C.
Director, Municipal Accounting Branch	R. J. WATSON
Director, Municipal Assessment Branch	P. G. GILLIS
Director, Municipal Finance Branch	E. M. FLEMING
Director, Municipal Organization and Administration Branch	A. T. BUTLER
Director, Municipal Research Branch	S. CLASKY
Director, Municipal Subsidies Branch	M. D. TREWIN
Director, Systems Development Branch	COLIN DALINGWATER

DEPARTMENT OF MUNICIPAL AFFAIRS - ORGANIZATION CHART



PUBLICATIONS

Annual Report

Summary of Legislation Affecting Municipalities

Bulletins and Instructional Guides

ADMINISTRATION AND ORGANIZATION

Provincial Assistance to Municipalities, Boards and Commissions

ASSESSMENT

Data Collection Manual Code Book

Manual—Handbook of Cost Factors

Appraisal Notes

Municipal Assessor in Ontario

COMMUNITY PLANNING

Ontario Planning Newsletter

Urban Renewal in Ontario (4th Revision)

Urban Renewal Planning Studies Manual

Urban Renewal Scheme Implementation Manual

Urban Renewal Scheme Preparation Manual

Planning for a Better Community

Outline of Community Planning in Ontario

Introductory Bibliography on Community Planning

Planning Reprints (various)

Choices for a Growing Region (\$4)

Urban Land Use in Ontario (\$2)

Ontario Population Statistics

Recreation Tomorrow: Ontario Looks to 1986 (Reprinted)

FINANCE

Annual Report of Municipal Statistics

Municipal Directory

RESEARCH

Lakehead Local Government Review – Report and Recommendations

Hamilton-Burlington-Wentworth Local Government Review Data Book

Muskoka District Local Government Review – Preliminary

Recommendations

COMMUNITY PLANNING BRANCH

Responsibilities

- ♦ To administer the terms of The Planning Act
- ♦ To provide a planning and development advisory service and assistance, upon request, to municipalities, other Department branches and organizations

Planning Areas

The following new planning areas were defined in 1968:

- ♦ Lower Madawaska Planning Area –*Town of Arnprior, Village of Braeside, and Township of McNab*
- ♦ Burlington Planning Area –Town of Burlington
- ♦ Goulbourn Planning Area –Township of Goulbourn
- ♦ Waters-Whitefish Planning Area –*Township of Drury, Denison and Graham and Township of Waters*
- ♦ West Luther Planning Area –Township of West Luther
- ♦ Gosfield North Planning Area –Township of Gosfield North
- ♦ Markdale Planning Area –Village of Markdale
- ♦ Grand Valley Planning Area –Village of Grand Valley
- ♦ County of Huron Planning Area –*All municipalities in County of Huron*
- ♦ Jarvis Planning Area –Village of Jarvis
- ♦ Echo Bay Planning Area –*Township of Macdonald, Meredith and Aberdeen*
Additional
- ♦ North Himsworth Planning Area –Township of North Himsworth
- ♦ Stirling Planning Area –Village of Stirling

- ♦ Elliot Lake Planning Area –Township of Elliot Lake
- ♦ Bertie Planning Area –Township of Bertie
- ♦ Rainham Planning Area –Township of Rainham
- ♦ Beaver Valley Planning Area –Township of Thornbury, Village of Flesherton, Townships of *Collingwood*, *Artemisia* and *Euphrasia*

Note – Designated municipality in joint planning areas in *italics*.

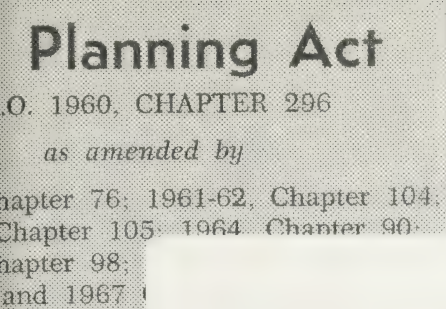
Total number of planning areas in 1968, compared with 1967, is as follows:

	1968	1967
<i>Single Independent</i>	165	156
<i>Subsidiary</i>	165	164
<i>Joint-Subsidiary</i>	4	3
<i>Joint</i>	74	74
<i>Total</i>	408	397

Minister's Orders

During 1968 the Minister made the following orders under Section 27 of The Planning Act.

<i>Date</i>	<i>Area Covered</i>	<i>Type of Order</i>
January 17, 1968	Township of Strathy	Zoning
March 19, 1968	Township of Cardiff	Zoning
June 11, 1968	Shebandowan Lake Area (District of Thunder Bay)	Subdivision Control
August 6, 1968	Unorganized Township of Howell, Lumsden and Wisiner (District of Sudbury)	Subdivision Control
August 15, 1968	Improvement District of Temagami	Zoning
October 8, 1968	Improvement District of Sioux Narrows, Ignace Township, Jaffray and Melick Township	Subdivision Control



Planning Act

O. 1960, CHAPTER 296

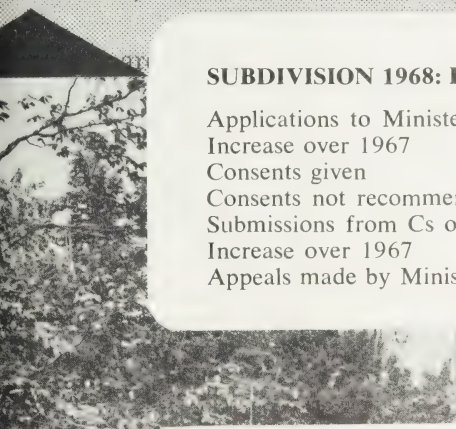
as amended by

Chapter 76; 1961-62, Chapter 104;
Chapter 105; 1964, Chapter 90;
Chapter 98;
and 1967

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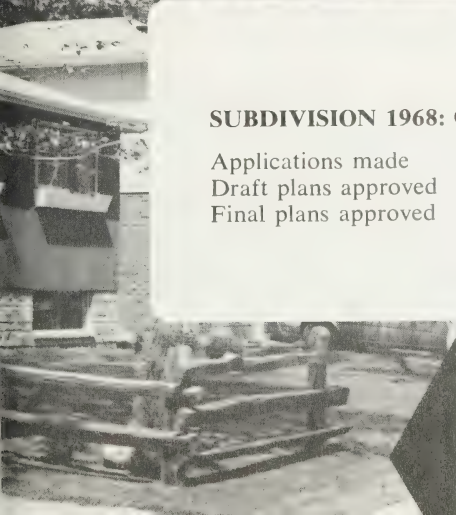
SUBDIVISION 1968: BY PLAN

Applications made	976
Increase over 1967	11%
Draft plans approved	575
Draft plans not recommended	123
Final plans approved	509



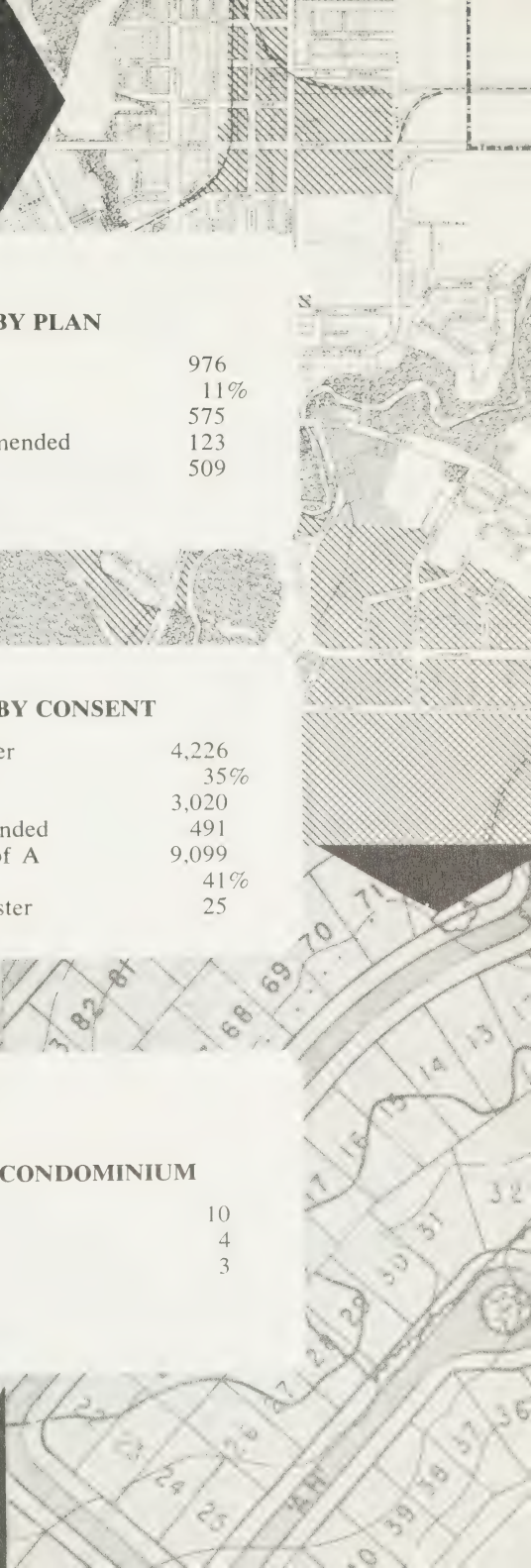
SUBDIVISION 1968: BY CONSENT

Applications to Minister	4,226
Increase over 1967	35%
Consents given	3,020
Consents not recommended	491
Submissions from Cs of A	9,099
Increase over 1967	41%
Appeals made by Minister	25



SUBDIVISION 1968: CONDOMINIUM

Applications made	10
Draft plans approved	4
Final plans approved	3



Subdivision Plans

The number of subdivision plans submitted for approval and plans approved and registered increased substantially during 1968. This was particularly evident in draft plan approvals, with a 19% jump (481 to 575) over 1967.

This rise, coupled with the 20% increase in consents requiring the Minister's approval and the 50% increase in consent decisions by committees of adjustment, generated an extremely heavy work load in the subdivision section.

In 1967 arrangements were made to transfer certain administrative responsibilities for consent applications from Northwestern Ontario to our Port Arthur office. This arrangement proved successful and was continued in 1968. A start was also made to transfer major elements of subdivision plan approvals to the Port Arthur office.

Official Plans

Officials plans and amendments to official plans require the approval of the Minister, or the Ontario Municipal Board, before coming into force. During the year 31 new official plans were submitted for approval, as compared to 13 in 1967, and 242 amendments were received (212 in 1967).

The number of applications referred to the Ontario Municipal Board for approval dropped to a ten-year low, with only 11 being referred this year.

Nine official plans were approved, bringing to 163 the total number in the Province. New official plans were approved for the City of Eastview; Townships of Clinton, Oneida and East Whitby; Towns of Hanover, Kincardine and Petrolia; Village of Townsend; Town of Mitchell and District.

The workload increased in all aspects of the official plan section's responsibilities during 1968. The number of meetings held to discuss official plan and zoning matters was almost double last year's 585.

Despite this, further progress was made this year in reducing the time required to process amendments submitted for approval. The following table indicates change over the past three years.

<i>Process Time</i>	<i>1966</i>	<i>1967</i>	<i>1968</i>
<i>Less than 1 month</i>	8.0%	10.8%	8.5%
<i>Less than 2 months</i>	37.4	45.4	48.5
<i>Less than 3 months</i>	66.8	68.4	80.0
<i>Less than 4 months</i>	79.0	87.0	90.0
<i>More than 4 months</i>	21.0	13.0	10.0

Committees of Adjustment

Committees were established in 16 municipalities, with a total of 261 in existence by the end of 1968.

Committees have two basic responsibilities: acting on requests to permit minor variations from zoning by-laws, and dealing with consent applications under Section 32b. Their increasing responsibilities are illustrated below.

Year	No. of Committees	Applications Under Section 30			Consent Applications Under Section 32b	
		Applications	Granted	Appealed To OMB	Number	Appealed To OMB
1960	67	2072	1769	111		
1961	74	2611	2235	116		
1962	96	2808	2448	128		
1963	112	3186	2770	140		
1964	121	3414	2941	142		
1965	202	4018	3448	184	From May/65 3339	93
1966	223	4179	3550	175	6242	211
1967	247	4616	3841	175	6454	187
1968	261	5098	4373	210	9099	300

In addition, the Department received 4,226 consent applications from areas where a subdivision control by-law existed but no committee had been formed.

The number of departmental decisions made on consent applications represents a 20% increase over 1967 and a doubling over the past several years.

Zoning By-laws

One of the major advisory functions of the Branch relates to zoning by-laws. The Branch commented on 1,708 zoning by-laws, appeals and drafts in 1968 – an increase of 23% over 1967. The comments were directed to the Ontario Municipal Board, municipal councils and planning boards.

Urban Renewal

Urban renewal activities continued to rise in Ontario in 1968. However, the growth in activity was slowed towards the end of the year with the

AID

75 %
of
COSTS
of

URBAN RENEWAL

STUDIES
SCHEMES
PROJECTS

LOCAL SHARE

25 %



URBAN RENEWAL 1958—1968

STUDIES:

40 Communities undertook
Urban Renewal Studies
totalling

\$ 1,259.



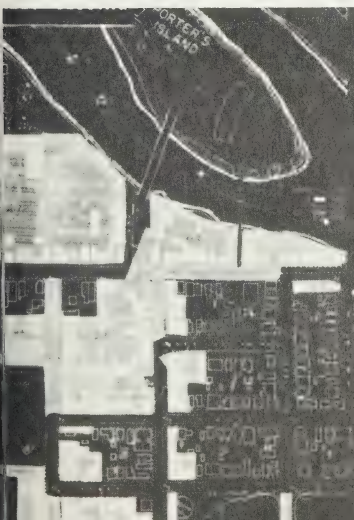


ITEMS:

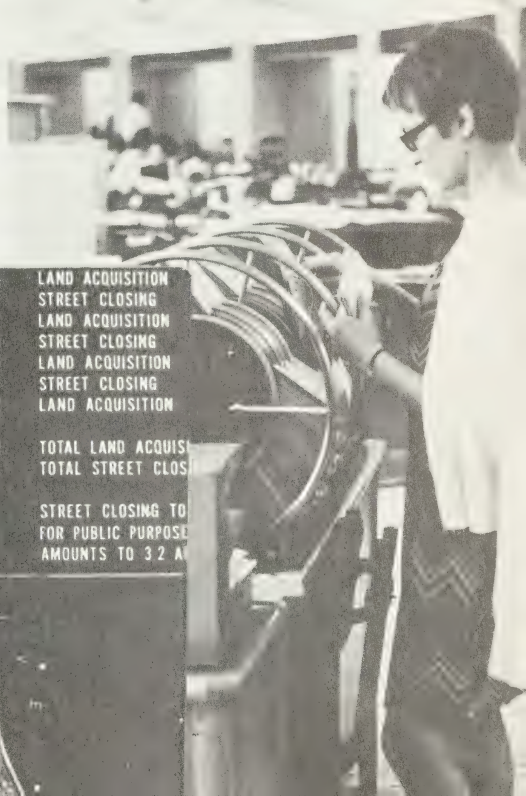
Communities undertook detailed Urban Renewal Scheme Studies totalling	\$ 2,159,070
Provincial contribution	\$ 539,768

OBJECTS:

Communities undertook implementation of Urban Renewal Schemes totalling	\$179,372,010
Provincial contribution	\$ 44,843,002



56.4	10.8	LAND ACQUISITION
22	8.7	STREET CLOSING
	1.7	LAND ACQUISITION
	5	STREET CLOSING
18.2	12.5	LAND ACQUISITION
	5.7	STREET CLOSING
	3.2	LAND ACQUISITION
54.2		TOTAL LAND ACQUISITION
15.8		TOTAL STREET CLOSING
		STREET CLOSING TO FOR PUBLIC PURPOSE AMOUNTS TO 3.2 A



federal announcement that all applications would be held in abeyance until the Task Force on Housing report had been completed and its recommendations considered by the federal government.

One of the concerns expressed by the Task Force appeared to be that of citizen participation in urban renewal programs. A draft of a publication "The 3Rs of Citizen Participation" was completed by the Branch in 1968, and will be printed early in 1969.

Urban Renewal Studies

Eight applications for urban renewal studies were submitted and approved by the Province. The estimated cost of these studies is \$123,000.

Studies were completed in Barrie, Newmarket, Oshawa, Peterborough, Port Stanley, Prescott, Tritown, Tisdale and Whitney. Forty such studies have been completed since 1956.

Work continued on studies in Collingwood, Gloucester Township, Midland, Orangeville, Teck Township and Windsor.

Urban Renewal Schemes

Eight applications were approved by the Province in 1968, at an estimated cost of \$459,000. The Provincial share of this cost is \$114,000.

Scheme studies were completed in Kitchener, Mountjoy, Newmarket, Ottawa, Port Arthur and Sault Ste. Marie.

Work continued on 19 studies in 14 municipalities.

Urban Renewal Projects 1958-1968

Seven new applications for the approval of urban renewal projects were processed. The applications came from Hamilton, Ottawa, London, Kitchener, Port Arthur, Sault Ste. Marie and Niagara Falls.

The following chart indicates the scale and variety of urban renewal projects undertaken in Ontario from 1958 to the end of 1968.

I. COMPLETED

<i>Project</i>	<i>Gross Cost (\$)</i>	<i>Provincial Share (\$)</i>	<i>Original Land Use</i>	<i>New or Proposed Land Use</i>	<i>Acreage</i>	<i>Character of Project Renewal Treatment Complete Selective Clearance</i>
----------------	------------------------	------------------------------	--------------------------	---------------------------------	----------------	--

HAMILTON						
Van Wagner's and Crescent Beach (Confederation Park)	2,000,000	500,000	Blighted, winterized summer cottages	Public open space park, recreation	72	•
KINGSTON						
Rideau Heights	620,000	155,000	Mixed, blighted residential	Public and private housing	36	•
OTTAWA						
Preston Street	4,760,000	1,190,000	Blighted residential and commercial	Public housing, high school, religious institution	15	•
SARNIA						
Bluewater	3,940,000	985,000	Blighted residential	Industrial	179	•
TORONTO						
Moss Park	8,500,000	2,125,000	Blighted residential and commercial	Public housing, institutional and park	24	•
WINDSOR						
Stage I	1,800,000	450,000	Blighted residential	Public housing and open space	20	•
Stage II	2,900,000	725,000	Blighted residential and commercial	Private high rise residential, retail commercial, and institutional	10	•
Sub-Total	24,520,000	6,130,000				

II. UNDERWAY

<i>Project</i>	<i>Gross Cost (\$)</i>	<i>Provincial Share (\$)</i>	<i>Original Land Use</i>	<i>New or Proposed Land Use</i>	<i>Acreage</i>	<i>Character of Project Renewal Treatment</i> Complete Selective Clearance
HAMILTON Civic Square	25,000,000	6,250,000	Blighted residential and commercial	Commercial, institutional	30	•
North End	9,200,000	2,300,000	Mixed, blighted residential, industrial and commercial	Public and private housing, institutional, open space	250	•
York Street	14,548,000	3,637,000	Residential, industrial, commercial	Residential, industrial, commercial, institutional	225	•
OTTAWA Lower Town East	15,000,000	3,750,000	Blighted residential and commercial	Residential, institutional, commercial and open space	186	•
PORT ARTHUR	5,399,000	1,350,000	Commercial	Commercial, open space	284	•
SAULT STE. MARIE Riverfront	1,430,000	358,000	Industrial, institutional	Residential, open space and institutional	20	•
International Bridge Plaza	4,607,000	1,151,000	Residential, commercial	Private and public residential, rehabilitation	49	•

SUDBURY						
Borgia Street	13,275,000	3,318,000	Residential and commercial	Mixed residential, commercial, institutional and open space	12	•
TORONTO						
Alexandra Park	14,800,000	3,700,000	Blighted residential, commercial and industrial	Public and private residential, institutional, park	72	•
Don Mount Village	4,400,000	1,100,000	Blighted residential, commercial, industrial	Public residential and rehabilitation	28	•
Sub-Total	87,659,000	21,915,000				

III. APPROVED BUT NOT COMMENCED

<i>Project</i>	<i>Gross Cost (\$)</i>	<i>Provincial Share (\$)</i>	<i>Original Land Use</i>	<i>New or Proposed Land Use</i>	<i>Acres</i>	<i>Character of Project</i>
						<i>Renewal Treatment</i> Complete Selective Clearance
KITCHENER						
C.B.D.	12,640,000	3,160,000	Commercial	Commercial	82	•
LONDON	13,287,000	3,322,000	Commercial	Commercial	72	•
Sub-Total	25,927,000	6,482,000				
Total	138,106,000	34,576,000				

Maintenance and Occupancy By-laws

By-laws were approved by the Ontario Municipal Board for Sault Ste. Marie, Port Arthur and Mississauga bringing to 6 the number prepared under Section 30A.

By-laws are being prepared in Hamilton, Michipicoten, Woodstock, Guelph, Brantford, North York, Scarborough, York, Etobicoke, Sarnia and Cornwall.

Metropolitan Toronto and Region Transportation Study

This study reached a critical point in 1968 with publication of recommendations and public presentations. The Branch was involved in many phases of the operation but particularly with the work that resulted in Volume II, "Choices for a Growing Region".

The director presented this part of the MTARTS report to the public meeting called by the Government in June. Representatives of the Branch subsequently made presentations to audiences in Southern Ontario and served on a subcommittee of the Advisory Committee on Regional Development set up to consider responses to the MTARTS proposals.

Blind River

The head of the Branch's administration division served as chairman of an interdepartmental committee formed to study Blind River and to recommend courses of action that might be taken in response to the prospective closing of its major industry.

Toronto International Airport

The recommendations of consultants engaged by the Federal Department of Transport to study expansion of Toronto International were released to the public in 1968. The great increase in volume of aircraft forecast and the manner proposed for handling the expected volume drew extreme reaction from the public, particularly in Mississauga, Etobicoke, Brampton and Chinguacousy.

Branch staff were involved in a number of interdepartmental-intergovernmental task forces established to consider specific problems of airport expansion and, later, to study other possible airport sites within the region.

Norfolk-Haldimand Counties

Shortly after the Steel Company of Canada announced its intention to construct a major steel-producing complex on Lake Erie near Nanticoke, the Branch held meetings with the councils of Norfolk and Haldimand counties, individual municipalities in the area, the Steel Company and a number of provincial departments.

The purpose of the discussions was to define the scale and possible

impact of the prospective growth, the present capability of the municipalities to handle that expansion, and the kind of action that should be followed to prepare the basis for rational growth within the area.

Regional Municipalities

The Branch has been working with other parts of the Department to establish a framework for the new system of regional governments in the province. The prime concerns centred on the division of planning powers and responsibilities between the regional and the local municipality and the organization most appropriate to perform the planning function.

Meetings with Members

In early 1968 the Minister initiated a series of ten meetings with various Members of the Legislature to discuss the more pressing planning problems of their various constituencies. The Branch prepared background material on the region selected for discussion at each of these meetings. Senior staff attended to hear, first hand, what were considered to be the significant planning issues in each of the regions.

The discussions served at least two important purposes. First, they provided the Minister and the Branch with a better understanding of the planning problems in various parts of the province. Second, they enabled the Minister to describe the Government's planning policy more meaningfully, in terms of current development in those areas represented by the Members.

Building Standards Committee

On September 12 the Minister announced the appointment of a committee of prominent business and professional people to study the National Building Code of Canada, provincial regulations relating to building standards and practices, and other relevant matters. One of the fundamental issues to be explored is the feasibility of a much higher degree of uniformity among by-laws than presently exists.

The committee is chaired by Mr. C. D. Carruthers of the firm of Carruthers and Wallace, Consulting Engineers. The head of the Branch's extension division is providing the liaison between the Department and the committee for the study which is expected to be completed in July, 1969. Dr. Robert Leggett, Chairman of the Associate Committee on the National Building Code, National Research Council, is serving as an advisor to the study.

Oshawa Area Planning and Development Study

Several Branch members acted on committees established by the Central Ontario Joint Planning Board to assist in preparing land development

policy for the planning area (Whitby, Bowmanville, Townships of Darlington and East Whitby).

Representatives from the Provincial Departments of Highways, and Treasury and Economics also participated in the committee work and studies.

Towards the end of 1968 the geographic coverage of the study and, in certain respects, its objectives, were modified in recognition of the provincial decision to establish a new regional municipality to the east of Metropolitan Toronto.

Beaver Valley Planning Program

By the beginning of 1968, this Branch had become seriously concerned about increasing land subdivision and development for recreational purposes in the Beaver Valley, which stretches from Flesherton to Thornbury in Grey County. The municipalities seemed to have been caught unaware by this type of development and had not recognized the need to establish appropriate development policies and to institute proper development standards. The North Grey Conservation Authority had also become disturbed at the danger of pollution of the Beaver River and of soil erosion if unregulated development were to continue in areas of shallow overburden, on steep slopes, and on soils of low porosity.

The Community Planning Branch met with representatives of municipalities in the area on March 25, May 7, and December 10, 1968, to discuss the planning needs of the area and to explore the kind of planning organization that would be most suitable. Detailed proposals were circulated to Thornbury, Flesherton, and the Townships of Artemesia, Collingwood, Euphrasia, and Osprey on May 31, 1968. The Department offered to finance the preparation of a planning appraisal of the area. This work was completed by a professional planning consultant in mid-autumn. After further consultation, the Minister defined the six municipalities as a planning area on December 20, 1968.

The North Grey Conservation Authority has indicated a willingness to provide substantial financial assistance to the carrying out of a planning program, with up to 75% of this assistance to be furnished by the Province through the Department of Energy and Resources. At the end of 1968, arrangements were being made locally to appoint the members of the planning program and to initiate the preparation of an official plan and zoning by-laws.

Special Committees

Members of the Branch served on the following:

- ♦ Agricultural Rehabilitation and Development Act Directorate
- ♦ Administrative Subcommittee on Townsites

- ♦ Central Ontario Regional Advisory Board
- ♦ Northwestern Ontario Regional Advisory Board
- ♦ Technical Committee on Air Pollution Control
- ♦ Inter-departmental Committee on Tourism and Outdoor Recreation
- ♦ Mapping Liaison Committee
- ♦ Wasaga Beach Study Committee
- ♦ Waterloo-South Wellington Study Committee
- ♦ Niagara Escarpment Study Committee
- ♦ Recreation Liaison Committee
- ♦ Canada-Ontario Rideau Study Committee
- ♦ National Research Council – Standing Committee on Residential Standards
- ♦ Stratford Seminar on Civic Design
- ♦ Inter-departmental Committee on Pits and Quarries
- ♦ Inter-departmental Committee on Government in Northern Ontario
- ♦ O.W.R.C. Liaison Committee

Planning Staff

Branch permanent and probationary staff totalled 123 at the end of 1968, compared to 108 in 1967. Considerable recruitment was necessary because at least 12 trained staff left to further their academic training, secure planning positions with municipalities, provincial departments and consultants.

The number of persons graduating from planning schools continues to increase but the demand for planners still apparently exceeds the supply.

In last year's report we indicated an increased interest in the training of planning technicians by community colleges and other institutions. This year Branch staff served on advisory committees for training technicians at Ryerson Polytechnical Institute, Mohawk and Conestoga Colleges. A representative also served on the Curriculum Advisory Committee at the University of Waterloo.

Discussions were held with the curriculum division of the Ontario Department of Education on planning education in high schools.

Ontario Law Reform Commission

Professor J. B. Milner, who teaches in the Faculty of Law at the University of Toronto and is past president of the Town Planning Institute of Canada, was engaged by the Ontario Law Reform Commission in 1967 to carry out a review of planning law in Ontario.

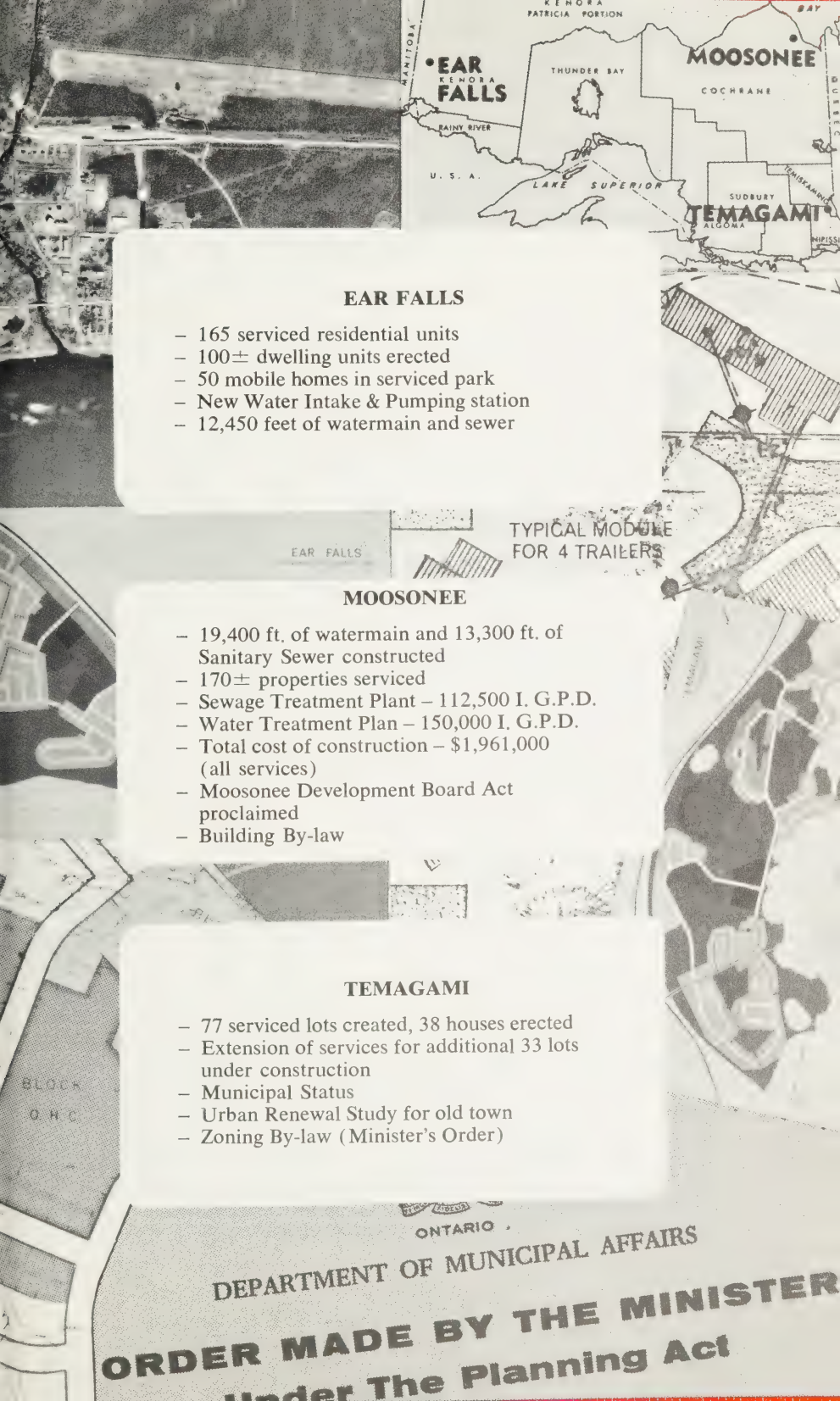
In late 1967, Professor Milner distributed copies of his "Tentative Proposals" for changes in The Planning Act, as a means of testing his views about desirable changes in planning law through critical discussion of them by persons involved in planning activities. Many interested people responded in 1968 to Professor Milner's invitation for reasoned arguments about his proposals.

At the request of the Law Reform Commission, Professor Milner undertook to devote special attention to the problems of development control during 1968 and early 1969. Research assistants explored development-control techniques in Ontario communities and in Alberta and Professor Milner spent part of a visit to England in the summer of 1968 in looking at development control methods in that country.

It is expected that his special report on development control will be submitted early in 1969 and his full report on planning law before the end of 1970.

Other Activities

- ♦ Land use and population studies for the Department of Highways
- ♦ Approval of applications under The Condominium Act, 1967
- ♦ Processing of pipe-line applications
- ♦ Road closings
- ♦ Review of applications to sell 5% lands secured under Section 28
- ♦ Continuation of Waterloo-South Wellington Study
- ♦ Provision of assistance to municipalities on building by-laws
- ♦ Holding of workshops for municipal councils, planning boards and staff to discuss planning problems, techniques and policies
- ♦ Lectures to associations, university seminars, departmental staff courses, chambers of commerce, training courses for Ontario Land Surveying students, etc.
- ♦ Distribution of questionnaires to planning agencies and analysis of replies
- ♦ Production of manuals of instruction, newsletters and information for planning boards and committees of adjustment
- ♦ Preparation of graphic and statistical material for workshops, conferences and local government reviews
- ♦ Holding of orientation courses for municipal planning staff
- ♦ Graphic descriptions of quieting orders
- ♦ Preparation of population statistics
- ♦ Municipal status and boundary change plotting



EAR FALLS

- 165 serviced residential units
- 100± dwelling units erected
- 50 mobile homes in serviced park
- New Water Intake & Pumping station
- 12,450 feet of watermain and sewer

EAR FALLS

TYPICAL MODULE
FOR 4 TRAILERS

MOOSONEE

- 19,400 ft. of watermain and 13,300 ft. of Sanitary Sewer constructed
- 170± properties serviced
- Sewage Treatment Plant - 112,500 I. G.P.D.
- Water Treatment Plan - 150,000 I. G.P.D.
- Total cost of construction - \$1,961,000 (all services)
- Moosonee Development Board Act proclaimed
- Building By-law

TEMAGAMI

- 77 serviced lots created, 38 houses erected
- Extension of services for additional 33 lots under construction
- Municipal Status
- Urban Renewal Study for old town
- Zoning By-law (Minister's Order)

DEPARTMENT OF MUNICIPAL AFFAIRS

ORDER MADE BY THE MINISTER
Under The Planning Act

MUNICIPAL ACCOUNTING BRANCH

Objectives

- ♦ To conduct studies and research to develop municipal accounting and reporting principles and practices applicable to Ontario municipalities
- ♦ To promote the use of accepted municipal auditing standards and techniques and to administer a system of licensing municipal auditors
- ♦ To make available to municipal treasurers and auditors advice and assistance on day-to-day accounting, reporting, auditing, budgeting and finance problems of individual municipalities
- ♦ To review the annual audited financial statements of the 960 municipalities in the Province and their local boards, and to discuss them with the individual treasurers and auditors. This is designed to improve the standards of municipal finance reporting, and to facilitate analyses and inter-municipal comparisons of municipal finance information
- ♦ To be responsible for special problems arising from the accounting, reporting or financial operations of individual municipalities or local boards

Municipal Accounting Research

A major revision of the annual financial statements and supporting schedules of a municipality was completed and introduced for the 1968 reporting year. The revision is designed to meet the need for developing new reporting concepts, and to produce clear and meaningful municipal financial statements which will satisfy the widely divergent requirements of those who use information about the financial affairs of the municipalities.

The research was undertaken by a Study Group composed of senior Branch accounting officers and chartered accountants engaged on a fee basis. Basic concepts and revisions developed by the Study Group were discussed with Advisory Committees appointed by the Institute of Chartered Accountants of Ontario and the Association of Municipal Clerks and Treasurers of Ontario. The project benefited greatly from comments and suggestions made by both committees. Extensive field testing of the proposed statements and schedules and the related instructions was carried out by the Branch to ensure effective implementation of the revision.

During the year the revision was introduced to municipal treasurers and auditors in Ontario with the publication of the improved form of financial statements and supporting schedules for a municipality and the publication of the *Municipal Finance Manual*. The Manual contains three bulletins, which explain the new reporting concepts, and over twenty detailed instructions to assist municipal officials in preparing the individual financial statements and supporting schedules.

An important research project carried out during 1968 was an evaluation of the following financial statements introduced in 1967:

- ♦ Statement of Source and Application of Capital Funds
- ♦ Continuity of Taxes Levied by the County
- ♦ Basis upon which Taxes Levied by the County were apportioned among its Supporting Municipalities

This research identified some of the problems encountered by municipal officials in completing these statements. It also indicated areas for improving the format of Branch instructions for the completion of the 1968 revised statements.

For a number of years, the local municipalities in Ontario have been required to include a notice with their tax bills disclosing certain information with respect to provincial subsidies and municipal tax levies. In 1968, the form of the notice was reviewed in order to increase its effectiveness as a means of communicating information to municipal taxpayers.

A revised form was developed. This provides the realty and business taxpayers of a local municipality with a summary of the revenue sources required to provide the municipal and school board services within their municipality, i.e. – realty and business taxes, contributions from the Province, and other revenues. The notice also discloses the Province's contributions, expressed as so many cents for every dollar of taxation imposed by the municipality, and the amount of the Province's contributions towards the cost of capital projects.

Municipal Auditing Research

A study is currently in progress to review the Statutes and Regulations relating to the conduct of the audit of the accounts of a municipality and its local boards. A major objective of the study is to establish a legislative and administrative framework within which municipal auditors will be enabled and encouraged to provide the best possible service to the municipalities. Chartered accountants with specialized experience and skills in the auditing field are assisting Branch staff with the project. The study includes an examination of the role of a municipal auditor, his duties and responsibilities, and the standard of performance expected of him.

Municipal Finance Reporting

Eleven meetings were conducted throughout the Province to discuss the revised statements and schedules introduced for the 1968 reporting year, and the new concepts, improvements and changes incorporated in them. Invitations were sent to all municipal auditors and to the treasurers or clerk-treasurers of the larger municipalities. Attendance totalled 381 auditors (representing 157 firms) and 332 municipal officials (representing 203 municipalities). More informal meetings are currently being conducted by Branch regional advisors with the treasurers and clerk-treasurers of the smaller municipalities.

Senior officers served on an interdepartmental Task Force on Municipal Finance Reporting, comprised of representatives of this Department and the Department of Treasury and Economics. This Task Force is responsible for commenting on the proposed position of the Province to be presented by Branch officers at sessions of the Federal-Provincial Conference on Municipal Finance Statistics. It is also attempting to reconcile the conflicting demands upon the accounting structure of the municipalities for information, both for purposes of municipal financial management and of economic analysis at the provincial and federal levels of government.

Senior officers represented the Province at two sessions of the Eighth Federal-Provincial Conference on Municipal Finance Statistics held in Toronto and Fredericton. Staff met with representatives of other provincial Departments of Municipal Affairs and from the Dominion Bureau of Statistics to discuss improvement of municipal revenue and expenditure classifications. The Conference objective is to promote uniformity and comparability of municipal financial information across Canada, and to provide more accurate and comprehensive information about the financial affairs of local government.

Review of Annual Financial Statements

The annual financial statements and auditors' reports of the municipalities and their local boards are filed with the Department each year. To the extent that staff resources permitted, these were examined to:

- ♦ Perform a limited review of the municipality's financial position
- ♦ Ascertain if the municipality could benefit from Branch advisory services
- ♦ Ensure that the provisions of the Statutes were complied with
- ♦ Ensure that the statements were prepared as prescribed by the Department, to encourage comparability and uniformity of presentation, and to facilitate intermunicipal comparisons

Advisory Services to Municipal Treasurers

The provision of advisory services to municipal treasurers is an important Branch responsibility. During 1968 more than 500 visits were made to municipalities, either at the request of the municipal treasurers or on the initiative of the Branch.

Participation of municipal accounting advisors in the implementation of the Residential Property Tax Reduction Program represented a substantial commitment of Branch staff resources. Officers advised and guided municipal officials in the administration of this program and participated in regional meetings. They assisted in engaging and training public accountants involved in the program's implementation, and answered many queries from residential property owners, tenants and landlords.

Advice and assistance was provided to municipal treasurers on such matters as:

- ♦ The method of calculating many differing and complex mill rates, including residential and commercial mill rates and special area rates for such services as sewerage, water, fire and police protection, street lighting and garbage collection
- ♦ The classification of accounts and the preparation of the financial statements
- ♦ Procedures for preparing and presenting the estimates, and the billing and collection of taxes
- ♦ The establishment of adequate working fund reserves to finance revenue fund expenditures pending the receipt of tax revenues
- ♦ The financial interrelationship between a municipality and its local boards

Branch advisory services were expanded during 1968, with experienced municipal accounting advisors being transferred to the Department's regional offices in Ottawa and Sudbury. The Branch is now represented in four regional offices: London, Ottawa, Peterborough and Sudbury.

Advisory Services to Municipal Auditors

During 1968 municipal accounting advisors were in constant contact with municipal auditors to discuss specific problems arising during the conduct of the annual audit of the municipalities. These included the preparation of the annual financial statements and supporting schedules of a municipality, the selection of appropriate auditing procedures to meet the specialized requirements of a municipal audit and the application of the statutory provisions to the financial operations of a municipality.

Other Activities

The Branch was consulted by the Department of Education regarding the financial provisions of the legislation establishing divisional boards of education. Discussions included the preparation of the annual estimates and requisitions of a divisional board, the collection of school taxes by the municipalities in which the board will have jurisdiction, the issuing of debentures by a divisional board, the adjustment of assets and liabilities on the dissolution of a school board, the filing of financial statements and the appointment of auditors.

The establishment of divisional school boards made it necessary to examine the financial relationships between a divisional board and the municipalities which support it, especially with respect to debenture debt charges which will become the direct responsibility of a divisional board.

The examination resulted in the development of:

- 1) a new statement on which a municipality may notify a divisional board of education of its responsibility for the payment of debt charges on debentures issued by the municipality for school purposes; and
- 2) a revised statement on which an issuing municipality may notify each assuming municipality of its portion of the debt charges on assumed debentures issued by the municipality.

These statements, together with explanatory memoranda, were sent to all municipal treasurers and auditors.

Branch staff carried out the administrative and financial aspects of the Province's program of assistance in financing the cost of certain capital works that benefited provincially-owned lands in the areas previously known as Brunetville and Val Albert.

Staff worked with the Municipal Finance Branch to review both the Metropolitan Toronto and Region Transportation Study and the financial provisions of the legislation establishing the Ottawa-Carleton Regional Council, and to report on the implications of the Lakehead Local Government Review.

A Branch officer participated in meetings conducted by the Municipal Subsidies Branch to explain the accounting treatment required by recent amendments to The Drainage Act.

Staff also participated in interdepartmental committees dealing with:

- ♦ Implementation of the plan to transfer the cost of the administration of justice from local governments to the Province
- ♦ Government at the district level in Northern Ontario

Close liaison was maintained with other departments on matters connected with municipal accounting, reporting and auditing.

Branch officers made presentations at meetings of the Association of Municipal Clerks and Treasurers of Ontario and the Association of Ontario Counties workshops.

The Branch was represented on the Education Committee of the Association of Municipal Clerks and Treasurers of Ontario. This committee is responsible for revising the three-year training course offered by the Association. The revision of the first two years of the course was completed by 1967; the revision of the third year was completed in 1968 and is being introduced in the 1968-69 curriculum year.

A municipal accounting trainee program was instituted in 1968 and the first two trainees recruited. The purpose of the program is to combine on-the-job training with a formal course of study leading to a recognized accounting qualification. Upon completion of the program, graduates will have the experience and qualifications required to undertake the duties and responsibilities of a municipal accounting advisor.

MUNICIPAL ASSESSMENT BRANCH

Responsibilities

- ♦ Education and training of municipal assessors
- ♦ Determination of assessment equalization factors
- ♦ Maintenance of an assessment manual
- ♦ Valuation of property eligible for grants in lieu of taxes
- ♦ Development of methods and procedures to improve assessment administration

Training

In 1969 the first graduates of Assessment Administration courses operated by community colleges will enter the assessment field.

Since 1967 five colleges of Applied Arts and Technology have offered these diploma courses, in response to an urgent need for trained municipal assessors. These courses are now available at Loyalist College, Belleville; St. Lawrence College, Cornwall; Seneca College, Willowdale; Cambrian College, Sudbury; and Fanshawe College, London.

Branch officials have worked closely with the colleges in developing course content. In the first year, this involves intensive study of Economics, Political Science, English, Mathematics, Statistics and Principles of Public Administration. During the second year classroom training is completed with a deeper study of Economics, the Non-Valuation Aspects of Assessment, Land-Use Planning, Sociology, Valuation, English and Liberal Studies.

At some time during his college career, the student must serve four months of field work training where he will encounter first hand the work of an assessor. Procedures in Assessment Departments, census taking, property valuation, sales analysis and land valuation are the basic elements of the field work requirements.

In addition to its assistance with course content, the Department has agreed to supply the colleges with qualified staff members who will teach valuation theory during the fourth semester.

Formal training for municipal assessors is also available through the

Extension Department of Queen's University. This course, sponsored by the Institute of Municipal Assessors, has graduated more than 778 students since 1957.

The Branch has continued to train assessors in the principles and procedures contained in the Handbook of Cost Factors. Since these comprehensive training sessions started in 1965, 73 schools have been conducted for 550 assessors.

Data Processing

The Assessment Branch has been actively involved in developing the potential uses of electronic data processing equipment as an aid to improved assessment administration. As an increasing number of jurisdictions adopted data equipment, the need for standardized Assessment Rolls, Assessment Notices and Data Revision Sheets became apparent.

In February, 1966, a committee was appointed representing the Department, assessment commissioners, the Metro Toronto Data Centre and the data processing industry. The forms designed by this committee are adaptable to all types of data processing equipment.

The Department first tested the new forms by financing a pilot project in the City of Galt, in which the 1966 assessment was successfully completed using the standardized forms. A second project, in conjunction with the Ontario Statistical Centre, was carried out in the City of North Bay.

As a result, these forms have been prescribed by the Department since 1967 and have been amended for use effective January 1, 1969. As of March 1, 1968, eighteen counties, five districts and sixteen cities and towns were either using the prescribed forms or converting to them in 1968.

The most comprehensive form, the Data Revision Sheet, provides for the collection of detailed, uniform assessment and statistical information. It is a valuable centralized source of factual material, not only for Assessment Departments, but also for Land-Use Planners, Housing and School Authorities, the Treasury Department and others.

In February of 1968, the Data Processing Committee approved a Data Collection Manual and a pocket-sized Code Book, to be used by assessors in conjunction with the Data Revision Sheet. Both volumes have been amended for use effective January 1, 1969, and are distributed free of charge by the Department to each assessment jurisdiction.

Under the auspices of the Assessment Branch, a Systems Design Committee was organized, representing the Ontario Statistical Centre, the City of Ottawa, the City of Hamilton and Metropolitan Toronto. This committee designed two tape layouts. One records assessment information necessary to the preparation of the Notice and the Roll; the other contains statistical data. These standard record layouts are presently being utilized in Toronto, Ottawa and Hamilton. Copies are available from the Branch to interested jurisdictions.

At present, the Department does not prescribe that standard tape layouts be used across the Province. It does, however, recognize that the adoption of uniform tape layouts will provide a greater degree of standardization than is now possible using the prescribed forms alone. It is, therefore, prepared to consider recommending a uniform tape layout at some future time.

Manual

In March, 1968 the Department issued a revised version of its publication, *Appraisal Notes for the Assessor*, which constitutes the second part of the Department's *Assessment Manual*.

The *Appraisal Notes* explains the theory of appraisal as it relates to the three methods of valuation used by assessors. It sets out the economic rationale for using market value as the basis for assessment, and provides a definition of market value – the price at which a sale is most likely to occur – that is appropriate for use by assessors.

At present, the *Appraisal Notes* is a prescribed text for the previously mentioned assessment courses at Queen's University and the community colleges.

Statutory and Regulatory Functions

A major responsibility of regional assessment officers is the valuing of certain crown and crown agency property which is eligible for grant payments.

During 1968, over 7,000 valuations were made covering more than 70 per cent of the municipalities.

Staff prepared equalization reports, which are the basis of apportioning costs for Homes for the Aged in ten of eleven Territorial Districts.

The Branch has also maintained a province-wide sampling and sales analysis program for the preparation of equalization factors. These factors establish the relationship between the local assessment and market value in each municipality and in some 400 school sections in unorganized territory.

MUNICIPAL FINANCE BRANCH

Responsibilities

- ♦ To conduct studies and report on the financial structure of municipalities, municipal taxation, the financial relationships between the Province and the municipalities, municipal pensions and fringe benefits, and to assist in implementing government decisions relating to municipal finance
- ♦ To evaluate, assess and prepare reports on the financial position and viability of individual municipalities for the use of the government, other provincial departments and agencies, and the municipalities
- ♦ To prepare an annual review of local government finance in Ontario and to collect, analyze and publish data relating to the financial operations of municipalities
- ♦ To administer the day-to-day relationships of the Ontario Education Capital Aid Program and to provide municipalities with an advisory service on the administration of long-term debt

THEORY AND PRACTICE OF LOCAL GOVERNMENT

Administration of Justice

Branch officers co-operated with other Departments in solving problems presented by the implementation of the recommendation of the Ontario Committee on Taxation that administration of justice be assumed by the Province. The Branch was concerned particularly with the apportionment of revenue from fines and the basis of compensation payable to municipalities once the Province had taken over buildings used for the administration of justice.

The Municipal Unconditional Grants Act

As a result of decisions relating to the take-over of administration of justice, the provisions of this Act were revised, and the following recommendations were made:

- 1) all municipalities should receive an increase in the grant of 50c per capita;

- 2) in addition, municipalities in the districts should receive a further increase of \$1 per capita; and
- 3) the special payment to counties having an Indian reservation within their boundaries should be discontinued.

When the Province took over the costs of administration of justice, it also assumed all revenues from fines except those related to infractions of municipal by-laws. The first recommendation represented a contribution to municipal revenues in lieu of a proportion of certain other fines.

The second recommendation was necessary to effect equity between municipalities in Northern and Southern Ontario. Previously, administration of justice functions were a provincial responsibility in the districts and a municipal responsibility in the counties. For this reason, northern municipalities previously received \$1 less than their counterparts in the south. The recommendation ensured that all municipalities benefited, southern municipalities by being relieved of costs, and northern areas by receiving an increase in grant of \$1 per capita.

The final recommendation recognized that the special payment towards the costs of administration of justice in counties with Indian reservations was no longer required.

The Residential Property Tax Reduction Act

In the fall of 1967, the Government indicated its intention to implement the recommendations of the Ontario Committee on Taxation that each residence in the Province be entitled to a basic shelter exemption. The essence of this recommendation was that the Province should meet the realty tax on the first \$2,000 of assessment on each home, provided the assessment placed on the home was at market value.

There were many conceptual and practical difficulties to be surmounted in order to devise the most efficient and effective program at an acceptable level of cost. After careful study of the recommendations, two major changes were made in concept prior to the introduction of the Bill in the Legislature.

First, it was decided to allow a reduction of taxes rather than reducing the assessment. A number of reasons prompted this change – e.g. the wide range of assessment levels throughout the Province, the introduction of an artificial element into real property assessment and the administrative problems of changing every assessment roll in the Province.

Second, the Government decided that it was not sufficient to rely on the forces of the market place to ensure that the benefit of the tax reduction was passed on to tenants. Therefore, a duty was placed on all landlords to pass the amount of the reduction on to the tenant.

The details of the program, its effect on other taxing statutes and the mechanics of its operation were then researched in depth. Subsequently, discussions were held with representatives of municipalities, both elected

and appointed, with other Departments and with other interested parties to ensure that the program, when initiated, would operate efficiently and with minimum administrative difficulties.

At meetings conducted throughout the Province, the Minister explained the policy and purpose of the Residential Property Tax Reduction Program. Representatives of the Municipal Finance and Subsidies Branches answered a large number of questions on all aspects of the program at each meeting.

The operation of the program during its first year is now being reviewed by Branch officers.

Implementation of Other Recommendations

In accordance with the recommendations of the Ontario Committee on Taxation, Department-administered subsidies having an insignificant effect on the finances of municipalities were withdrawn. These were subsidies in respect of fox bounties and for certain expenditures on pensions and workmen's compensation for firefighters and policemen.

The use of the poll tax by the municipalities was investigated. It was confirmed that very few municipalities made use of this authority and, in those cases where a poll tax was levied, relatively small amounts were collected. The Branch, therefore, concurred with the recommendation of the Ontario Committee on Taxation, and The Statute Labour Act was correspondingly amended by the Government.

Evaluation of Other Recommendations

Research continued into the impact of the remainder of the recommendations on the finances of municipalities and the effect on individual classes of taxpayers. These studies involved the implications of taxation based on assessment at market value, the rate of business assessment, the abolition of the 'split mill rate', the recommendations for changing the subsidies structure, and exemptions from local taxation.

Municipal Reorganization

Prior to the introduction of the Bill creating the Regional Municipality of Ottawa-Carleton, Branch officers analyzed its financial aspects with particular reference to the impact on individual municipalities, the bases to be used for apportioning costs, and the financial interrelationships between the regional and local municipalities.

Advice and assistance was provided in the preparation of the financial sections of the legislation.

A study was made of the financial implications of the Report and Recommendations of the Commission appointed to conduct a review of local government at the Lakehead and an analysis was submitted to the Minis-

ter. Subsequently, it was decided to create a new Lakehead City, comprising the Cities of Port Arthur and Fort William together with parts of the Townships of Neebing and Shuniah. Work is proceeding to devise a system of differential taxation, in order to take account of different levels of service in different parts of the new city, and to mitigate any substantial increase in municipal taxation that might otherwise be imposed on taxpayers in a particular area.

Pensions for Municipal Employees

The Municipal Act provides for the Department to approve the alteration, amendment or repeal of the pension plan of a municipality or local board. The Municipal Finance Branch examines and approves proposed by-laws amending these pension plans. The Department is required, under The OMERS Act, to approve the amendment of a participation by-law and, under the Regulations, to approve prior service agreements and agreements providing supplementary pension benefits.

In 1968 the appointed Board of Administration of OMERS, comprising 11 members, completed its first year of operation. Branch staff continued to provide assistance in the administration and development of the System.

During 1968, The OMERS Act was amended to provide an increase in the rate of interest from 5% to 6½% per annum on Province of Ontario debentures issued on account of the OMERS Fund, in the period between January 1, 1968 and December 31, 1973.

FINANCIAL REPORTS AND INFORMATION

The Annual Report of Municipal Statistics

The Annual Report of Municipal Statistics was published in September. This Report contains a wealth of data relative to the finances of municipal government. Several minor improvements were made to this year's format. However, considerable research has been performed towards a complete revision of the format of the Report to provide more precise, clearer and more meaningful information. This development will be greatly assisted by the improved format of the annual financial statements of the municipalities.

The Municipal Directory

The Municipal Directory was issued in early March. Circulation is now in excess of 9,000 copies per annum. It provides up-to-date information on local elected and appointed officials, members of the Legislature and officials of the Department of Municipal Affairs, along with relevant information on assessment and population.

Other Statistical Studies

During the year, the Branch collected data on population, area, assessment, mill rates, the source and application of capital funds, the issue and repayment of debt of municipalities and provincial subsidies to municipalities. This information was disseminated to other branches of the Department, other Provincial Departments and agencies, and interested parties such as the Bank of Canada and the Dominion Bureau of Statistics. Areas in which substantial effort was exerted were mill rates, where annual and quadrennial trends were established, issue and repayment of debenture and other long-term debt (see exhibit 1, page 33), and the source and application of capital funds (see exhibit 2, page 34).

During the year, many requests for miscellaneous municipal financial information were received. These requests are increasing and the data requested is becoming more detailed and complex. Where possible, the required information was provided. The increasing use of this service points up its value and the necessity to constantly improve the quantity and quality of financial data relating to local government.

EVALUATION OF THE FINANCIAL STATUS OF MUNICIPALITIES

The program initiated in 1967 to evaluate the current financial position of a municipality immediately on receipt of the annual financial statement was extended and counties were also included. These analyses have proven their value to Department field advisory staff and to other Departmental officers requiring a brief and up-to-date survey of the finances of a particular municipality.

Individual detailed appraisals of various municipalities were made to determine the financial position and the variation from previous years of these municipalities. The results of these studies were used extensively in various research projects undertaken by the Branch and the information gleaned from these studies was frequently requested by other branches, departments and agencies.

BORROWING SERVICES

The Branch administers the day-to-day business of The Ontario Education Capital Aid Corporation, which involves dealing with individual municipalities and school boards concerning the purchase of debentures for school purposes.

The Corporation has, in effect, purchased all debentures issued by municipalities and school boards for school board undertakings, since the establishment of the Corporation in 1966. The Corporation also purchases debentures issued to finance the cost of public libraries.

During 1968, 363 Offers to Sell Debentures, representing a total amount of \$205,914,000, were received. This amount is 18.5% higher than the total of Offers received in 1967.

THE ONTARIO EDUCATION CAPITAL AID CORPORATION

Summary of Debentures Purchased

	<i>1966 and 1967</i>		<i>1968</i>	
	<i>Number</i>	<i>Amount</i>	<i>Number</i>	<i>Amount</i>
Metropolitan Toronto	6	\$ 58,889,000	7	\$ 42,767,000
Cities	68	68,991,000	61	36,495,000
Towns, Villages	129	38,291,000	74	32,395,000
Townships, Improvement Districts, Counties	224	82,097,455	122	45,665,283
School Boards (Separate and Unorganized	151	45,411,000	112	43,053,000
	578	\$293,679,455	376	\$200,375,283

The Province makes these funds available to the municipalities and school boards at a rate of interest slightly above the rate at which Ontario borrows from the Canada Pension Plan Investment Fund. The rate of interest on debentures purchased by The Ontario Education Capital Aid Corporation was 6½ % at the beginning of 1968. The rate was increased in March to 6¾ %, and in December to 7 %.

The Corporation's interest rate consistently remains at least 1 % lower than the rates prevailing in the public money market for the debentures of most of the municipalities.

During the year the Branch, upon request, assisted approximately 80 municipalities with information relating to the issuance and marketing of debentures.

Exhibit 1

THE ISSUE OF DEBENTURE DEBT AND OTHER LONG-TERM
LIABILITIES TO VARIOUS BODIES
BY MUNICIPALITIES IN ONTARIO

1965 - 1967
(in millions of dollars)

<i>Government or Governmental Agencies</i>	<i>1965</i>		<i>1966</i>		<i>1967</i>	
	\$	%	\$	%	\$	%
Central Mortgage and Housing Corporation	14	5.8	7	2.0	13	3.3
Ontario Education Capital Aid Corporation	Nil	—	113	33.1	151	38.5
Ontario Water Resources Commission	5	2.0	3	1.0	6	1.6
Ontario Municipal Works Assistance Program	22	9.2	27	7.8	34	8.8
Ontario Municipal Improvement Corporation	*	0.1	1	0.4	3	0.8
Other	21	9.0	8	2.4	8	2.0
Subtotal	62	26.1	159	46.7	215	55.0
<i>The Public</i>	174	73.9	182	53.3	175	45.0
TOTAL	236	100.0	341	100.0	390	100.0

* Less than \$0.5

Source — Annual financial statements of municipalities.

Exhibit II

APPLICATION OF CAPITAL FUNDS
MUNICIPALITIES IN ONTARIO 1966 AND 1967

(in millions of dollars)

	1966		1967	
	\$	%	\$	%
<i>Fixed Assets and Work in Progress:</i>				
General Government	16	3	12	2
Protection to Persons and Property	9	2	10	2
Public Works	119	21	107	20
Sanitation and Waste Removal	63	11	62	12
Conservation of Health	3	1	3	1
Social Welfare	2	—	6	1
Recreation and Community Services	33	6	27	5
Unclassified	29	5	36	7
	274	49	263	50
<i>Proceeds of Long-Term Liabilities, transferred to:</i>				
Schools	160	29	164	31
Utilities and Other Municipal Enterprises	50	9	48	9
Other	65	11	37	7
	275	49	249	47
<i>Other:</i>				
Discounts on Debentures Issued	3	1	4	1
Unclassified	7	1	10	2
	10	2	14	3
TOTAL	559	100	526	100

Source — Annual financial statement of municipalities

MUNICIPAL ORGANIZATION AND ADMINISTRATION BRANCH

Responsibilities

- ♦ Administrative duties with respect to improvement districts and those municipalities placed under the Department's full or partial supervision
- ♦ Administration of The Assessment Act regulations concerning mining revenue payments to designated mining municipalities
- ♦ Administration of the tax arrears procedure under The Department of Municipal Affairs Act
- ♦ Approval of certain types of municipal by-laws
- ♦ Provision of assistance and advice to municipalities in matters of municipal administration and organization and the promotion of improved municipal standards of operation and procedure
- ♦ Guidance and assistance to inhabitants of unorganized territory in respect to municipal incorporation
- ♦ Provision of advice, on request, to ratepayers, service clubs and other groups concerning specific problems or general municipal operation

SUPERVISORY DUTIES

Improvement Districts

There are, at present, 18 improvement districts in the Province – an increase of one over the 1967 total. All but one of the 18 improvement districts – Bicroft – are within the territorial districts. Most are served by the Department's regional offices at Sudbury and Port Arthur.

The hamlet of Temagami and environs, in the Territorial District of Nipissing, became an improvement district effective January 1, 1968, following petition by the inhabitants to the Ontario Municipal Board. Branch officers, in co-operation with the petitioners, compiled and presented requisite information to the Ontario Municipal Board. Subsequently, they assisted in preparations for the trustees' assumption of local jurisdiction. Staff also assisted the trustees in preparing and conducting the inaugural meeting and ceremonies.

The Improvement District of Dorion took advantage of the special authority granted by the Legislature under Section 22, Chapter 55, O.S. 1967 to apply to the Ontario Municipal Board for erection into a township. The application was approved and Dorion became a township effective January 1, 1969.

Normal administrative guidance to improvement districts was continued with special attention given the new Improvement District of Temagami. Liaison with other branches and departments was maintained.

All except two of the improvement districts are included in the new county or district school divisions effective January 1, 1969. Consequently, as of that date the boards of trustees will cease to handle school matters. The two exceptions are Renabie, which will be included in the Township School Area of Missanabie, and Nakina, both of which will continue to function independently for school purposes.

With the establishment of the new school divisions it became necessary in 1968 for elections to be conducted in the improvement districts for the first time. Staff provided detailed assistance in the preparation of voters' lists and in the conduct of the election procedures.

Special Administrative Assignments

The Branch carried out administrative responsibilities in the affairs of two school boards and several municipalities during 1968.

The operations of the R.C.S.S. Board of the Improvement District of Sioux Narrows have, in accordance with an Ontario Municipal Board Order issued at the school board's request, been under the supervision of the Department since 1966. However, the Improvement District was included for separate school purposes within the jurisdiction of the Kenora District Roman Catholic Separate School Board, effective January 1, 1969, and the Department's supervisory responsibilities terminated at that date. The financial affairs of the former board improved considerably during the period of Department oversight and most of its outstanding liabilities have been discharged. It is expected that the new board will have little difficulty in disposing of any remaining problems. The Branch Regional Supervisor in Port Arthur will provide any assistance needed.

The Regional Administration Supervisor in Port Arthur continued throughout 1968 to serve as secretary-treasurer of Public School Section No. 1 Niobe Lake. With the introduction of the new district school divisions however, this assignment terminated on December 31.

The Township of Chapleau remained under Department supervision and its current position improved materially during the year. The Municipal Administration Supervisor, appointed by Council as acting clerk-treasurer, continued in this office until February 15, 1968, when a permanent clerk-treasurer took office. An interim tax levy was instituted and a planned program of tax collections initiated. By December 31, approximately 90.6% of current taxes were collected. The uncollected taxes up to

and including 1966 were reduced to \$26,000, as compared to \$130,944 at December 31, 1966.

The Sudbury Regional Assessment Supervisor continued as assessor for Chapleau in 1968 and a re-assessment was completed.

The budgets of several municipalities were examined and approved in accordance with the terms and conditions of Ontario Municipal Board Orders concerning certain debenture issues.

Tax Arrears Procedure

Included in the powers of municipalities to enforce tax collection are two methods or systems known as the "tax sale procedure" under The Assessment Act and the "tax registration procedure" under The Department of Municipal Affairs Act.

Both systems utilize the sale of lands in arrears of taxes as a means of recovering the taxes. However, direct participation by the Department is requisite only under the latter system. The Branch approves documents submitted by the municipalities in respect to several phases of procedure between the registration of the land and its sale or other disposition, and also gives advice and direction as required. A total of 5,349 documents were approved during 1968.

The Regulations under The Department of Municipal Affairs Act were amended to provide that the "tax registration procedure" would extend throughout the entire region under the jurisdiction of the new Regional Municipality of Ottawa-Carleton effective January 1, 1969.

In addition the Minister made Regulations to provide for the use of the tax registration procedure in place of the tax sale procedure in the following municipalities:

<i>Municipality</i>	<i>District or County</i>
Twp. Assiginack	Manitoulin
Twp. Bosanquet	Lambton
Town Caledonia	Haldimand
Twp. Colchester North	Essex
Vge. Glencoe	Middlesex
Twp. Gosfield South	Essex
Twp. Gosfield North	Essex
Vge. Hilton Beach	Algoma
Town Kingsville	Essex
Twp. Normanby	Grey
Town Parkhill	Middlesex
Twp. Rochester	Essex
Town Tilbury	Kent
Twp. Tilbury West	Essex
Twp. Townsend	Norfolk
Town Waterford	Norfolk

Including these additions and the municipalities within the Ottawa-Carleton Region, 472 municipalities now utilize the tax registration procedure as compared with 453 using the tax sale procedure under The Assessment Act.

By-Law Approval

The requirement for Departmental approval of by-laws continued for the following:

- ♦ Disposition under certain circumstances of land acquired for industrial sites
- ♦ Setting of certain licence fees for hawkers and peddlers
- ♦ Use of reserve funds for any purpose other than that for which the funds were established
- ♦ Assessment of telephone and telegraph companies by a township on the basis of gross receipts rather than on miles of wires and circuits

DESIGNATED MINING MUNICIPALITIES

During 1968, 64 designated mining municipalities received mining revenue payments calculated by the Branch. Staff advised the recipient municipalities of the disposition of payments among the entitled local bodies. In addition, Branch officers examined and approved the annual budgets and levy by-laws of these municipalities. Payments by the Province in 1968 totalled \$8,651,335.46.

The Village of Deloro, the Township of Westmeath and the Improvement District of Temagami were designated as mining municipalities and received payments for the year.

Changes in municipal boundaries, approved by the Ontario Municipal Board, resulted in consolidations of several mining municipalities. The Town of Chelmsford was annexed by the Township of Balfour effective January 1, 1969. The Town of Matheson amalgamated with the Township of Black River and will now be known as the Township of Black River-Matheson as of January 1, 1969. Similarly, the new Corporation of the Township of Valley East – comprised of the former Township of Capreol, Hanmer and the Township of Blezard – came into being on January 1, 1969.

GENERAL MUNICIPAL ADVISORY SERVICE

This service is available to all municipalities throughout the Province. It is more frequently sought by what are generally referred to as the "smaller" municipalities. Advice is given concerning:

- ♦ Preparation of annual budgets
- ♦ Tax levying procedures

- ♦ Procedures for the sale of debentures and the preparation of repayment schedules
- ♦ Composition and structure of local councils
- ♦ Conduct and procedures of council meetings
- ♦ Filling of vacancies on council and local boards
- ♦ Election procedures
- ♦ Annexation and amalgamation procedures
- ♦ Preparation of resolutions and by-laws and procedures relating to adoption and enactment
- ♦ Provincial grants available to municipalities, boards and commissions

During 1968 over 350 municipalities were visited either on request or under the planned visit program.

Workshops, Seminars and Meetings

Branch officers participated in more than 50 municipal workshops, seminars and other meetings as observers, panel members and/or speakers. Several of these meetings resulted directly from the considerable interest in and focus on municipal and school board election procedures, brought about by the establishment of the new divisional school boards and the need for the municipalities to provide for the election of these boards in 1968.

Branch officers also participated in the administration of the Residential Property Tax Reduction Program through instructional visits, correspondence and telephone contact.

Provincial Grants Handbook

This handbook contains a brief description of each of the grants and subsidies available to municipalities through the various departments and agencies of the Government. It has been developed as an aid to and ready reference by the municipalities and the material is up-dated annually or more frequently if necessary. Two separate revisions were carried out in 1968 and the revised material distributed.

Distribution of complimentary copies of this handbook was made during the year to the Indian Bands in Ontario.

OTHER PROJECTS, PROGRAMS AND ACTIVITIES

The Quieting Orders Program

Under the provisions of The Municipal Corporations Quieting Orders Act, municipalities may apply to the Ontario Municipal Board for Orders quiet-

ing any doubts respecting their boundaries, legal existence, or corporate status.

The Department prepares boundary descriptions, assembles supporting material in respect to township municipalities, and provides detailed assistance to municipalities applying to the Ontario Municipal Board for quieting orders.

At the end of 1968 boundary descriptions had been prepared for 304 of the 417 townships in the counties. Of the 186 townships east of York County, quieting order applications had been received from 169; the Ontario Municipal Board had heard 140 applications and 106 orders were issued. Because corporate township boundaries are usually based on the geographic township surveys and since the villages, towns and cities are also within the geographic township outlines, these orders have incidentally but effectively confirmed the boundaries of 64 other municipalities.

In 1968, Branch staff attended 10 Ontario Municipal Board hearings at which 110 applications were heard. Since, in all cases, the descriptions were prepared by the Branch, staff members were available to give evidence as required. By resolution of the respective councils, the Branch arranged for the publication, service and filing of confirmatory affidavits in 77 applications.

Branch officers also attended 10 council meetings and visited 150 municipalities, on invitation, to explain the program. Visits were made to 16 Registry Offices concerning the registration of the orders and filing of the plans, which constitute the local and authentic record of the municipal boundaries. They also comprise a record of municipal boundary changes brought about by county by-laws, statutes, and Municipal Board orders. When possible, staff reviewed the draft descriptions and plans with the local Ontario Land Surveyors acting for the municipalities.

In several instances, the program revealed serious discrepancies in municipal boundaries. These are presently being rectified through annexation proceedings on consent. Where these proceedings related to quieting order descriptions, staff assisted the municipalities in preparing descriptions and plans.

Although the program is oriented toward boundary confirmation, correction of boundary problems continues to be an important adjunct.

Moosonee

The Moosonee Development Area Board Act, 1966, was proclaimed by Order-in-Council on August 19, 1968. Five Board members were appointed by the Lieutenant-Governor in Council as of that date. The appointments were announced by the Prime Minister at Moosonee.

The Board held its inaugural meeting on August 28 and took action immediately to implement, as far as possible, the local services which it is authorized to provide. By the end of the year by-laws had been passed and/or provision made for the appointment of signing officers, the ap-

pointment of an acting secretary-treasurer, procedure at meetings, garbage disposal, building construction and fire protection. Arrangements are proceeding for the provision of land-use control.

Supervision of the Board's operation is required under the special legislation. Accordingly, the Branch has worked closely with the Board in preparing the by-laws and implementing the Board's decisions. The severe shortage of living accommodation at Moosonee has impeded the Board's appointment of a permanent secretary-treasurer. In order to help maintain administrative continuity, a Municipal Administration Supervisor spends at least one week of every month at Moosonee.

Commencing with the first regular business meeting of the Moosonee Development Area Board on October 23, 1968, all public meetings of the Board have been conducted in both Cree and English. All by-laws are published locally in both languages prior to enactment. Meetings of the Board are well attended.

Ear Falls

Paralleling the new townsite development at Ear Falls, Branch officers attended public meetings and meetings of local committees to provide information and advice on municipal organization. A pro forma municipal budget and supporting material was prepared to aid local appreciation of the financial obligations and effects of incorporation, as well as for internal Departmental appraisal.

Late in the year, local inhabitants lodged a petition with the Ontario Municipal Board for incorporation of Ear Falls and environs as a township municipality. The Branch is co-operating with representatives of the petitioners in the assembly and updating of pertinent information for presentation to the Board.

Georgina Island – Development Proposal

Early in the year the Department was informed of a proposal to develop Georgina Island (Indian Reserve) as a satellite city with full amenities, having a population of between 50,000 and 60,000.

Reaction to the proposal was sought from other departments and agencies of the Provincial Government as well as from other Branches of the Department based on the information received. It was subsequently concluded that the proposal was not feasible at this time.

District of Parry Sound

Considerable interest was shown throughout the district in the feasibility of setting up larger municipal administrative units. Meetings were held, on local initiative, with representatives of municipalities from both the eastern and western parts of the District and plans were formulated for assemb-

ling pertinent basic data. By the end of the year, however, nothing of any concrete nature had been resolved and several of the participant municipalities had deferred further action. Local discussions are continuing.

District of Manitoulin

At the request of the Minister of Social and Family Services, officers of this Branch and of the Municipal Accounting Branch carried out a study to determine the financial ability of the municipalities within the District to meet the costs of providing the Home for the Aged. Branch staff assisted in preparing the annual estimates of several of the municipalities involved.

The Township of Elliot Lake

At the Township's request, the Minister constituted a committee – with the Regional Municipal Administration Supervisor as Chairman – to establish basic prices for the lots still owned by the municipality. This committee made its final report on August 3. As a result, the sale of lots by the municipality has been facilitated. Approximately 50 lots had been sold between August 3 and December 31.

Committees

Towards the end of 1968 the Minister appointed a Municipal Elections Committee, comprised of experienced municipal officials, to thoroughly examine present municipal election provisions and to recommend warranted changes. Two Branch officers act as committee chairman and secretary. This committee held two meetings before the end of the year. Its report is expected by the end of 1969.

Branch officers also serve as members of or advisors to interdepartmental and other committees concerned with municipal or related affairs, e.g.:

- ♦ The Interdepartmental Committee on Government at the District Level in Northern Ontario
- ♦ The Administrative Subcommittee on Townsites
- ♦ The Interdepartmental Advisory Committee on Aging
- ♦ The Interdepartmental Task Force on Bilingualism as it pertains to Municipal Administration in Ontario
- ♦ The Clerk's Advisory Committee on Municipal Elections

Other Activities

The Branch annually assists in reviewing proposed changes in legislation affecting municipalities and submits recommendations. It also participates in reviewing special committee or municipal association recommendations.

Staff met several times with Department of Education officials to examine the effects of implementing the new divisional school board legislation, particularly relating to the election provisions. Suggested changes in the legislation were reviewed.

Additional financial assistance was extended the Township of Elliot Lake and the Improvement District of Manitouwadge. The Province purchased floating indebtedness debentures of \$400,000 and \$100,00 respectively. The borrowings by the municipalities were approved by the Ontario Municipal Board. Applications for funds were channelled by the Branch.

REGIONAL OFFICES

Increasing use is being made of regional office services. In response to increasing local pressure for more adequate service, a municipal administration officer was added to the staff of the Department's Regional Assessment Office at Perth in September.

The areas now served by regionally-based municipal administration officers are as follows:

- Port Arthur – The Territorial Districts of Kenora, Rainy River and Thunder Bay, plus the Townships of Michipicoten and Wicksteed and the Improvement District of White River in the Territorial District of Algoma;
- Sudbury – The Territorial Districts of Algoma (excluding Michipicoten, Elliot Lake and White River), Manitoulin and Sudbury;
- London – The Counties of Elgin, Essex, Huron, Kent, Lambton, Middlesex, Norfolk, Oxford and Perth;
- Perth – The Counties of Carleton, Frontenac, Lanark, Leeds and Grenville, Lennox and Addington, Prescott and Russell, Renfrew and the United Counties of Stormont, Dundas and Glengarry.

MUNICIPAL RESEARCH BRANCH

The Municipal Research Branch has a two-fold purpose:

- 1) to carry out research into any area in which the Department of Municipal Affairs exercises responsibility, and to report the conclusion of this research to the appropriate policy-making offices of the Department; and
- 2) to co-ordinate the specialized research activities undertaken by Branches of the Department.

Responsibilities

- ♦ To develop regional government proposals for various areas in Ontario
- ♦ To study, evaluate and recommend upon regional government proposals made by local government reviews, municipalities or other groups
- ♦ To provide research facilities and background data for studies into local government structure, organization and finances
- ♦ To undertake specialized research and statistical studies in any area of municipal affairs
- ♦ To exchange information and the results of research studies with other branches, departments, and outside agencies

Regional Government

In 1968 the Government of Ontario adopted a policy of modernizing the structure of municipal government throughout Ontario. An integral part of this reform program is the establishment – on a phased basis – of a system of regional government units. In outlining the details of the regional government program, the Minister of Municipal Affairs said, on December 2: “I have asked the Municipal Research Branch to assume day-to-day responsibility for regional government studies and implementation. The Municipal Research Branch will, of course, be working in very close liaison with the other branches of my Department and with other departments.” As a result of this new allocation of responsibility, regional government has become the prime focus of activity in the Branch.

The development and implementation of regional government is a highly complex process because decisions must be the result of an intensive provincial-local exploration of various alternatives culminating, if possible, in a consensus. In general, this process has four stages although there will be local variations in almost every case.

Stage One is the basic research and exploration of regional government possibilities in an area. This involves discussion and consultation between the Province and municipalities. It may take the form of a joint study, a series of joint meetings, a local study or a provincially directed study such as the local government review.

Stage Two is the evaluation of the detailed study and the presentation of a preliminary proposal to the municipalities in the potential region.

Stage Three is the development of a final proposal, based on extensive discussion and response to the proposal in stage two.

Stage Four is the drafting of legislation, passage by the Legislative Assembly and establishment of the regional government.

Several areas of the Province were at various stages in this process in 1968.

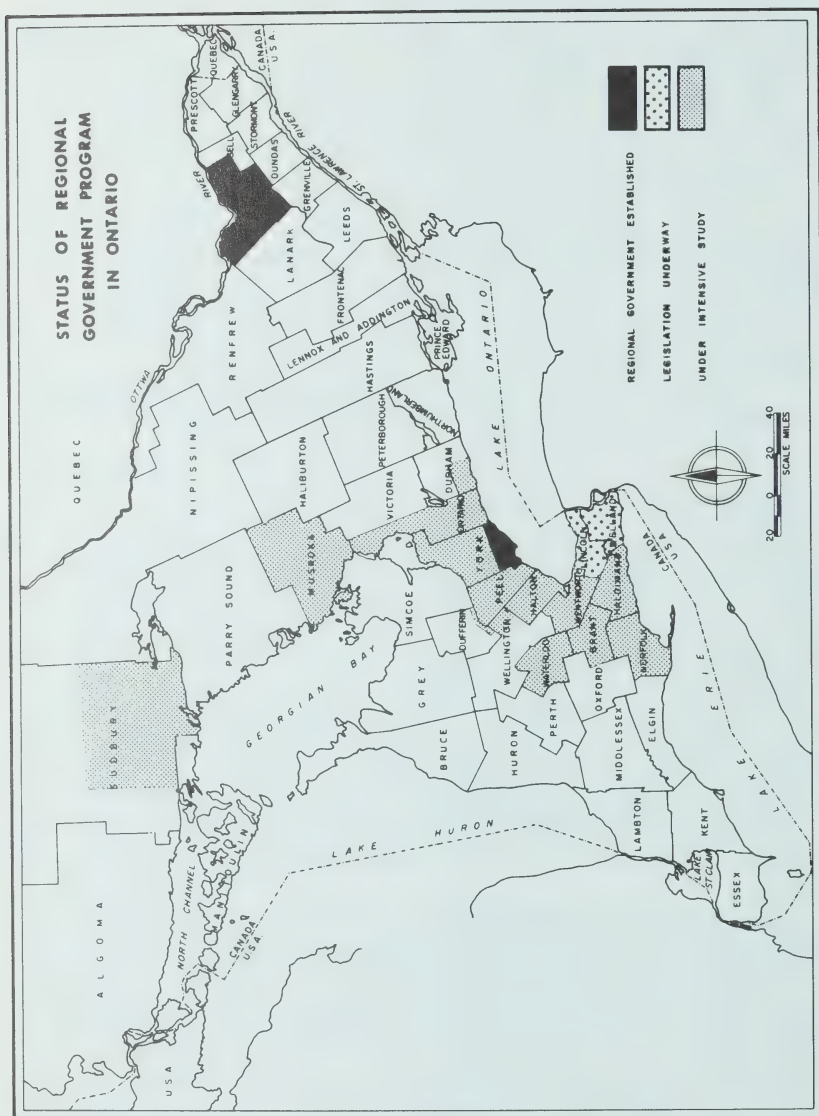
The first area to move through all four stages has been Ottawa-Carleton. A final proposal was presented to the municipalities involved early in 1968. After further discussion with these municipalities, legislation was introduced and passed during the spring. The new regional council was established in July under the chairmanship of Mr. Dennis Coolican. On January 1, 1969, Ontario's first two-tier urban-centred regional government became a working reality.

In the Niagara region the Municipal Research Branch worked on a firm proposal to be presented to the municipalities of the area early in 1969. The preparation of this proposal involved an intensive analysis of the report of the local government review and various responses to it.

In Peel-Halton the Branch was active in developing a tentative preliminary proposal to be used as the basis of provincial-local discussion in the area.

Machinery for a detailed review of local government in the Ontario County-Oshawa area was established during 1968 through the Oshawa Area Planning and Development Study. Exploratory talks between municipalities and the Department commenced late in the year. A member of the Municipal Research Branch was appointed to the executive committee of the study.

The Hamilton-Wentworth-Burlington area is under study by a local government review commission. During 1968 a book of basic data was prepared by the Municipal Research Branch and published by the commission. The Branch has had various staff members working with this commission in a technical advisory capacity.



In the Waterloo County area a local government review neared completion in 1968 when public hearings were held and work began on a final report. A member of the Branch is acting as research director for this study.

A detailed study of local government at the Lakehead was finished in 1968. Following evaluation of the report, the Minister of Municipal Affairs presented a specific consolidation proposal to this area in November. A member of the Municipal Research Branch acted as chairman of the local inter-municipal committee, which studied the report in detail and assisted the Department in drafting the special proposal.

A review of local government is in progress in the Muskoka District. In 1968 a book of basic information and a preliminary report were both published. The Branch worked closely with the review commissioner by supplying statistics and other data for use in the review.

Late in the year a study of local government in the Sudbury area was announced. The Municipal Research Branch is co-ordinating the gathering of background material for this study.

As well as participating in specific studies, the Municipal Research Branch has been involved in the formulation of the general policy of regional government in the Province. Two examples will illustrate this involvement.

In September the Prime Minister announced formation of a special committee of senior civil servants from many Departments to report on possible approaches to local government reorganization in Northern Ontario. The chairman of this committee is a staff member of the Municipal Research Branch. In addition, the Branch is providing research services to the committee.

Prior to the adoption of a regional government program by the Province, a Task Force on Regional Government was appointed to evaluate relevant proposals in the reports of the Ontario Committee on Taxation and the subsequent Select Committee of the Legislature. As part of this evaluation, the Branch prepared background and position papers.

Municipal Consolidation

Another aspect of local government reorganization has been the adoption of a policy to encourage municipal consolidation through annexations and amalgamations. In December the Minister announced that all future applications to the Ontario Municipal Board involving municipal boundary changes will be examined by the Department to see if the proposals lead to the creation of more viable units and are consistent with the objectives of the regional government program. The Municipal Research Branch now conducts this evaluation from a regional government viewpoint.

Economic Base Studies

Because of the growing emphasis upon regional government the Municipal Research Branch was not able to undertake any new municipal economic base studies during 1968. However, much of the data collected for regional government studies, and the techniques developed in these studies, will aid the Branch in future economic base studies. Further study in this field is a continuing long-term program of this Branch because the organizational and fiscal strength of local government depends directly on the economy upon which a municipality is based.

Bilingual Municipal Services

The Municipal Research Branch provided the chairman and research facilities for the Task Force on Bilingual Municipal Services. This task force was established by the Prime Minister to investigate and report upon existing practices and possible expansion in the provision of municipal services in both the English and French languages. A report was presented to the Prime Minister in September.

Research Liaison

The Branch devotes a significant portion of its time to the exchange of research data and findings with other interested agencies. In particular, the Branch worked closely with the Department of Treasury and Economics in two fields of common interest – regional government and regional development.

A member of the Branch is the Ontario representative on the Canadian Council on Urban and Regional Research, a joint public-private body devoted to aiding research into problems of urban communities and their regions. After a series of federal-provincial meetings in 1968, a new body was established to foster the communication of research findings between various governments, and to act as a clearing-house for governmental research, in the field of urban and regional affairs. One of the Ontario representatives on this body – the Intergovernmental Committee on Urban and Regional Research – is a member of the Branch.

The Municipal Research Branch is a prime user of municipal financial data. In recognition of this the Branch was asked to provide the Ontario representative on a Municipal Finance Users Committee organized by the Dominion Bureau of Statistics.

MUNICIPAL SUBSIDIES BRANCH

Responsibilities

The Municipal Subsidies Branch administers the grant, subsidy and loan programs for which the Department is responsible by:

- ♦ Maintaining a thorough knowledge of those Acts and Regulations which authorize payment of the subsidies and, where necessary, recommending amendments
- ♦ Keeping abreast of the related administrative and accounting practices of the municipalities and the Province
- ♦ Developing the policies and procedures used to administer the subsidy programs and preparing instructional material for distribution to the municipalities
- ♦ Maintaining liaison with federal, provincial and municipal officials concerning all aspects of the programs
- ♦ Verifying claims submitted by the municipalities and local boards. In many cases, this includes an examination of their accounts and records

GRANT AND SUBSIDY PROGRAMS

The Residential Property Tax Reduction Act

This Act, passed in 1968, was designed to relieve the regressivity of realty taxation.

Arising out of recommendations made by the Ontario Committee on Taxation and based on detailed studies conducted by the Municipal Finance Branch, a program was developed to benefit homeowners and tenants by amounts geared to the differing tax burdens in the various municipalities of Ontario.

Under the program, the municipality reduces taxes levied by mill rate for municipal and school purposes on eligible residential property. The Province reimburses the municipality for the amount by which taxes are

reduced and, in effect, pays the first part of the taxes on each eligible residential property. Homeowners receive the tax reduction directly on their tax bills while tenants receive a tax reduction allowance from their landlords for the separately assessed premises they occupy.

During the year municipalities were assisted in the implementation and administration of the system. The Minister conducted introductory meetings with municipal officials to outline and discuss details of the program. Technical advisors visited municipal offices. A series of instructional memoranda was produced for use by municipal officials and many specific problems were solved by correspondence and personal consultation.

To ensure that homeowners, landlords and tenants were properly informed of their rights and duties under the program, an explanatory leaflet entitled "Tax Reduction Notice" was mailed to every household in Ontario. Extensive press and radio advertising was conducted and supported with information releases for the news media. Special information groups were set up in various parts of the Province to answer inquiries by letter and telephone from homeowners, landlords and tenants.

By December 31, 1968, the Branch had processed claims for reimbursement from 915 municipalities and 158 school boards in unorganized territories. This involved tax reductions amounting to \$107,986,000 made for the benefit of Ontario's 2,000,000 owner and tenant households.

The Municipal Unconditional Grants Act

This Act authorizes the payment of two different subsidies:

(1) **THE UNCONDITIONAL PER CAPITA GRANT** – This grant, based on a determined population, assists municipalities with the cost of providing municipal services.

A 1968 amendment to the Schedule of the Act increased the rates payable to municipalities in Northern Districts by \$1 per capita and the rates payable to all municipalities by 50¢ per capita. The grant, which now ranges from \$5 to \$7.50 per capita, must be applied to reduce the taxes levied against residential and farm assessment.

(2) **HOSPITALIZATION OF INDIGENTS** – This annual grant is calculated at 80% of the municipality's expenditures on behalf of indigent persons in the previous year, including premiums payable to the Ontario Hospital Services Commission.

Where a District Welfare Board is established, the grant entitlement is payable to the Board rather than to the constituent municipalities. Grants were made to five District Welfare Boards in 1968, compared to four in 1967.

Payments 1964-1968
Under The Municipal Unconditional Grants Act
For the year ending December 31
(in thousands of dollars)

	1964	1965	1966	1967	1968
Unconditional Per Capita Grant	24,652	25,576	26,080	37,753	42,077
Hospitalization of Indigents	1,999	1,961	2,013	1,947	2,169
TOTAL	26,651	27,537	28,093	39,700	44,246

The Assessment Act

This Act authorizes payments under four programs:

(1) PAYMENTS TO MINING MUNICIPALITIES – Entitlement for these payments, based on mining revenue in the municipality, is determined by the Municipal Organization and Administration Branch.

(2) ASSISTANCE FOR REGIONAL ASSESSMENT – A subsidy is paid to a county or municipality in a district which adopts the regional assessment system. Assistance is granted towards the salaries of assessment officers and staff and towards the purchase price or rental of office equipment.

(3) ASSESSMENT IN UNORGANIZED TERRITORIES – Payments are made to compensate district assessors for the direct costs of assessing properties located in school sections in unorganized territories of the Province.

(4) TENANT-OCCUPIED PROVINCIAL PROPERTY – Tenants are directly liable for municipal taxes on Crown property rented from the Province. Under arrangements made with the municipalities, taxes are paid by the Province acting as agent for the tenant and the tenant reimburses the Province in rentals paid.

Payments 1964-1968
Under The Assessment Act
For the year ending December 31
(in thousands of dollars)

	1964	1965	1966	1967	1968
Payments to Mining Municipalities	6,022	5,808	5,869	7,946	8,651
Assistance for Regional Assessment	58	127	281	587	675
Assessment on Unorganized Territories	—	30	122	275	404
Tenant-Occupied Provincial Property	514	497	460	884	684
TOTAL	6,594	6,462	6,732	9,692	10,414

The Municipal Tax Assistance Act

The Act authorizes payments to the municipalities in lieu of taxes on certain Provincial properties, to be determined at the commercial mill rate for general municipal purposes.

A municipality is generally entitled to a payment in lieu of taxes on land and buildings owned and occupied by Ontario and used for legislative, executive and administrative purposes. Payments in lieu of taxes are not made to municipalities on land and buildings used for a number of purposes, such as: education, hospitalization, reform institutions, parks, forests, and certain other types of public use.

Payments in lieu of taxes amounted to \$2,955,000 in 1968.

The Drainage Act

This Act authorizes a municipality to construct, improve, repair and maintain a drainage works and to finance and rate its cost against the benefiting owners. It also authorizes the payment of a grant to a municipality in respect of assessments against its agricultural lands.

The grant entitlement is 33-1/3% if the drainage works is in a county, and 66-2/3% in a district or provisional county. Where a drainage works is in territory without municipal organization, the Province may pay an amount up to 80% of the assessments against the benefiting agricultural lands.

Amendments to the Act in 1968 established grant eligibility on the cost of repairs and maintenance of a works assessed against lands used for agricultural purposes, clarified status of special assessments of lands owned by Canada, Ontario and the municipalities, and simplified the procedures concerned with grant applications.

During 1968, \$1,822,000 was paid on 742 applications for a grant submitted from 134 municipalities.

Winter Works Incentive Program

This federal-provincial-municipal incentive program was designed to help alleviate the problem of winter unemployment. Since the program was originally introduced by the Province and subsequently supported by the Federal Government, the need for seasonal employment has been considerably reduced; consequently, the program has been discontinued.

The estimated reimbursement to 225 municipalities under the 1967-68 program amounts to \$8,600,000, of which the Province's contribution is \$2,750,000.

The Planning Act

Under this Act, the Province may enter into an agreement with a municipality to provide assistance towards the cost of urban renewal. The Ontario share of the assistance is equal to 25% of the eligible cost of the project while Canada, under separate agreement, provides 50% of such cost.

During 1968 the Province provided \$2,220,000 to 17 municipalities under the program.

The Confederation Centennial Act

Final grant payments were processed during the year to complete the federal-provincial-municipal program established under The Confederation Centennial Act.

Since the inception of the program to the end of 1968, actual grants amounting to \$11,258,000 had been paid to 773 municipalities and 18 Indian Bands concerning 738 projects. The Province's contribution was \$5,629,000.

Other Grants and Subsidies

(1) ASSISTANCE TOWARDS ORDERLY DEVELOPMENT IN UNORGANIZED TERRITORIES – This grant provides assistance towards the cost of planning and development with respect to certain unorganized areas of the Province.

(2) THE FIRE DEPARTMENTS ACT AND THE POLICE ACT — These grants encouraged provision of pensions and workman's compensation coverage for municipal police and firemen. Having served their purpose, they were discontinued this year.

(3) THE WHIRLPOOL RAPIDS BRIDGE ACT AND THE LEWISTON-QUEENSTON BRIDGE ACT — Payments under these Acts are made in lieu of taxes on bridge property owned by the Province.

Payments 1964-1968					
Other Subsidies					
For the year ending December 31					
(in thousands of dollars)					
	1964	1965	1966	1967	1968
Assistance toward Orderly Development in Unorganized Territories	—	84	232	202	96
The Fire Departments Act and The Police Act	606	630	697	828	44
The Whirlpool Rapids Bridge Act and The Lewiston-Queenston Bridge Act	—	—	—	—	56
Other	11	10	11	13	17
TOTAL	617	724	940	1,043	213

SUMMARY OF MUNICIPAL GRANTS AND SUBSIDIES

For the year ending December 31
(in thousands of dollars)

	1964	1965	1966	1967	1968
The Residential Property Tax Reduction Act	—	—	—	—	107,986
The Municipal Unconditional Grants Act	26,651	27,537	28,093	39,700	44,246
The Assessment Act	6,594	6,462	6,732	9,692	10,414
The Municipal Tax Assistance Act	1,614	1,938	2,448	2,449	2,955
The Drainage Act	599	608	391	1,247	1,822
Winter Works Incentive Program (1)	8,221	9,339	10,278	9,659	8,600(2)
The Planning Act	995	1,229	1,208	1,681	2,220
The Confederation Centennial Act (3)	—	—	—	8,758	2,500
Other	617	724	940	1,043	213
TOTAL	45,291	47,837	50,090	74,229	180,956

(1) Amounts by program year including Federal contributions

(2) 1967-68 program year estimate

(3) Includes Federal contributions

LOAN PROGRAMS

Municipal and School Tax Credit Assistance Act

This Act, which came into force January 1, 1967, established a system of loans to assist elderly homeowners in paying their real estate taxes. A person, 65 years of age or more, who uses the real property as his personal residence and is the owner or the owner's spouse, is eligible to receive this assistance.

Assistance is made by the municipality through the granting of a tax credit of one-half of the realty taxes imposed with respect to residential or farm property, to a maximum of \$150 per year. A lien is registered against

the real property as security for the loan and the municipality is reimbursed by the Province. The amount of the tax credit is normally repayable to the Province when ownership of the property is transferred.

During 1968, 134 municipalities processed 3,068 applications for loans amounting to \$413,000.

Municipal Works Assistance

Final loan payments were processed during 1968 in connection with this federal-provincial-municipal program designed to increase employment from 1963 to 1966.

Since inception of the program to December 31, 1968, loans amounting to \$136,770,000 were made on 678 projects and forgiveness totalling \$33,373,000 had been granted.

Program participation has involved 129 cities, towns and villages, including Metropolitan Toronto; 82 townships, improvement districts and counties, and 47 separate school boards.

SUMMARY OF LOAN PROGRAMS

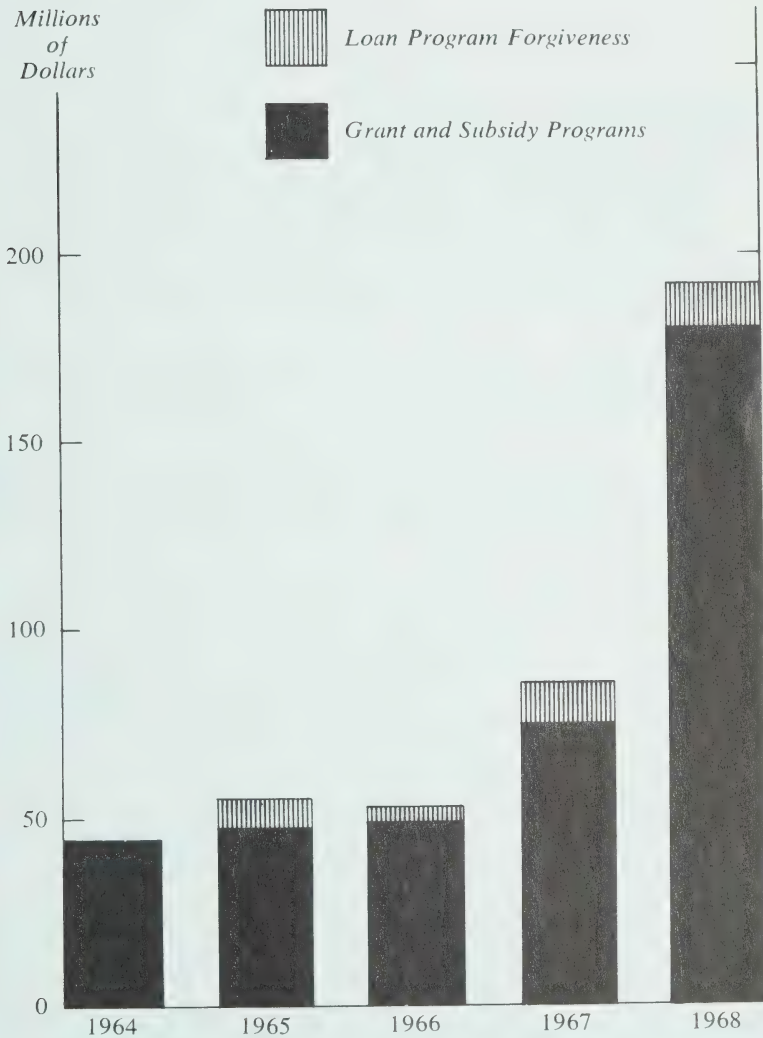
For the year ending December 31
(in thousands of dollars)

	1964	1965	1966	1967	1968
<i>The Municipal and School Tax Credit Assistance Act</i>					
Loan Advances	—	—	—	233	413
<i>Municipal Works Assistance Program</i>					
Loan Advances	5,800	32,634	36,515	41,549	20,272
Forgiveness Granted	—	8,363	2,185	12,157	10,668

ADMINISTRATION

Under the 18 grant, subsidy and loan programs administered in 1968, \$181 million was transferred to municipalities as subsidies and grants and \$21 million was loaned to municipalities and school boards. Of the amount loaned, \$11 million was forgiven.

COMPARISON OF FUNDS TRANSFERRED TO MUNICIPALITIES
UNDER GRANT, SUBSIDY AND LOAN PROGRAMS
(by calendar year)



SYSTEMS DEVELOPMENT BRANCH

Responsibilities

- ♦ To establish a consulting service for municipal officers on appropriate methods of undertaking feasibility studies, identification and solution of systems problems, and sound development of systems ranging from manual to computer applications
- ♦ To organize seminars on municipal systems and electronic data processing
- ♦ To participate with line branches and the Computer Service Centre in developing systems for the collection, processing and retrieval of municipal data for analysis
- ♦ To assist line branches, on request, with the identification of information requirements and the development of non-computer systems, and to arrange for the provision of Computer Centre services to the line branches when required.

Advisory Services to Municipalities

In order to determine the nature and extent of the Department's role of advisor to municipalities on data processing matters, a comprehensive questionnaire was designed and issued to all municipalities. It requested information on data processing equipment and the applications for which it was used, together with anticipated changes in the near future. The results have been tabulated and an analysis will be issued shortly.

Discussions were held with the treasurers and senior systems and data processing officers in 15 of the largest municipalities with computer installations. This survey, conducted with the aid of temporary staff, has focused attention on the present and potential uses of electronic equipment by the municipalities and on their difficulties in efficiently exploiting this potential. Consultations have also been held with the representatives of data processing equipment manufacturers, managers of service bureaus and management consultants. These will prove useful in planning the future progress of the Branch.

Departmental Use of Computer Facilities

The Government has established a Computer Service Centre for departments with financial and statistical applications. The Deputy Minister of Municipal Affairs is a member of the Computer Services Board. As the Department's representative on the Technical Committee of the Centre, the Branch director has assisted in formulating the Centre's objectives, policies, terms of reference, fees for service and the relationships between the user and the Centre.

Assistance to Line Branches

The Systems Development Branch has developed techniques and programs for the analysis of statistical data to aid the Municipal Research Branch in assembling data for regional government reviews. Assistance has also been provided to the Community Planning Branch in developing a system to control the processing of subdivision plan applications.

To assist the Municipal Finance and Municipal Subsidies Branches, a major role was undertaken in connection with the Government's plan to reduce the municipal and school taxes of residential properties in Ontario.

Branch assistance included:

- ♦ Advice as to the impact of the tax reduction on tax billing procedures of municipalities using electronic and mechanical accounting equipment
- ♦ Participation in a study to determine the most effective means of passing the benefit of the tax reduction to tenants occupying properties owned by Ontario and Canada
- ♦ Frequent consultations with officers of the 30 largest municipalities, including most of those with computerized tax billing procedures, to assist them in implementation of the program
- ♦ Preparation of instructional memoranda to municipalities concerning the operation of the program

ADMINISTRATIVE SERVICES BRANCH

The objective of the Administrative Services Branch, established in 1967, is to provide a high quality of supporting services to operating personnel and to direct, co-ordinate and control service functions generally. The Branch consists of five major sections: Personnel Services; Departmental Accounts; Library; Emergency Services; and General Services.

Personnel Services

The personnel office provides advice and assistance on all aspects of personnel administration for management of the Department and of the Ontario Municipal Board. It also effects a line of communication between the Civil Service Commission and the Department in interpreting personnel policy, The Public Service Act and Regulations, and Civil Service Commission directives.

During 1968 recruitment activity rose above normal with total full-time staff increasing by more than 20 per cent. During the period from December 1, 1967 to November 30, 1968 there were 232 changes in staff, of which 144 were new appointments and 88 were separations. Personnel officers also guided a number of staff changes and organizational improvements throughout the year.

A new Manager of Personnel Services was appointed to co-ordinate the administration of Department personnel. He is assisted by three officers responsible for individual branches and the Ontario Municipal Board.

Personnel services were provided in the initial stages to the Regional Municipality of Ottawa-Carleton. Increasing activity of this type is anticipated with the expansion of regional government.

A Departmental Training Program was initiated whereby selected university graduates are given work experience in various branches on a rotational basis. In addition, they attend discussions on various aspects of Municipal Affairs activities and management. After one year of this orientation they are available for full-time employment by any of the branches.

Departmental Accounts

The principal objectives of this section are:

- ♦ To provide financial information to Branch Directors so they can operate most effectively
- ♦ To discuss with Branch Directors actual expenditures incurred, and to analyze causes of variances from original plans
- ♦ To control expenditures, to see that funds are available when required, and to approach Treasury Board if additional funds are needed
- ♦ To explain and report on Departmental operating costs with respect to established Government objectives

This section is responsible for the payments of accounts together with grants and subsidies, as well as the recording of revenue. Other major functions included: the preparation of payrolls for the Department and the Ontario Municipal Board; the co-ordination, analysis, and final submission of the Department's annual estimates, and the control of Department finances.

The appointment of a budget analyst has enabled this section to provide a continuing analysis of spending trends.

During 1968 the estimates were prepared to conform with concepts of program budgeting. Monthly detailed reports are being prepared to permit more effective reporting of managerial information.

General Services

The object of this section is to provide service, advice and guidance to operating Branches with respect to:

- ♦ Purchasing and procurement
- ♦ Stores and inventory control
- ♦ Printing and reproduction
- ♦ Mail and messenger services
- ♦ Central files
- ♦ Regional office administration
- ♦ Planning of office layout, space, facilities

Continued Department expansion made 1968 a year of increased activity in all areas of general services. The purchasing officer visited trade exhibits, purchasing and investigating new types of equipment furnishings and supplies. More than 800 requisitions for printing were processed for work varying from form letters to complex reports.

Library

The Department library is becoming increasingly well known as a reference centre. Its collection is concentrated in the municipal field with supporting information at provincial and national levels.

The library is the depository for briefs submitted to the Smith Committee on Taxation, the Beckett Committee on Municipal Law and the Goldenberg Commission on Metropolitan Toronto. A total of 25,000 books and pamphlets in the fields of municipal law, finance, administration, town planning, assessment and history are available. Supporting this are 200 monthly periodicals and newsletters, a selection of Dominion Bureau of Statistics reports, maps, newspaper clippings and historical files.

Services now available to staff and, on a limited basis, to outside individuals and agencies include: literature searches, compilation of bibliographies, telephone reference, photocopies, routing of periodicals, newspapers and clippings, maintenance of a new book and periodical shelf, maintenance of various indexes on municipal and provincial matters, and publication of a weekly bulletin, a library services brochure and an annual conventions list.

Library publications produced in 1968 include:

- ♦ A bi-monthly Annexation and Incorporation List
- ♦ Ontario Municipal Board Annexation Lists for 1952-1960 and 1960-1965
- ♦ A monthly municipal court case list
- ♦ Lists of separated towns, improvement districts and cities with their dates of incorporation
- ♦ Lists of soil surveys, urban transportation and river valley reports
- ♦ Composite township list No. 4
- ♦ Changes in municipalities in 1967 – incorporations, erections and renaming, amalgamations, dissolutions and annexations

Two card indexes have been completed. One involves certain municipal associations, giving address, names of officers, dates and locations of conferences for 1968; the second concerns provincial and national parks in Ontario, giving the document and its geographic location in a municipality.

Emergency Services

The functions of this section include emergency services and records management.

During the year new filing systems and file maintenance services were established in several Department sections. An inventory of subdivision plans resulted in greatly improved organization and storage. In addition,

file records were investigated with a number being transferred to the Ontario Government Record Centre and others being marked for destruction.

Changes were made in office layout, furniture and equipment to improve building and safety standards.

The Assessment Branch is preparing to use the Department's Relocation Centre at Bracebridge as the district assessor's office.

INFORMATION AND EDUCATION SERVICES

Responsibilities

- ♦ To serve as the central source of information about the Department, and the official channel of communication between the Department and the public
- ♦ To bring to public attention, through appropriate media, significant facts, opinions and interpretations which will serve to keep the public aware of Department policies and actions
- ♦ To co-ordinate Department activities which affect the relations of the Department with the general public or with special public groups
- ♦ To plan and administer educational programs designed to fulfill the above responsibilities
- ♦ To collect and analyze information on the changing attitudes of key public groups towards the Department

Writing and Editing

Professional staff writers and editors supplied material on request for speeches and radio scripts for the Minister, Deputy Minister, and others. These were distributed to media and, on request, to interested individuals and agencies.

Staff wrote and distributed press releases, statements for the Legislature concerning Department activities, articles for Progress Editions, forewords for various booklets, Christmas messages, material for directories, and the Department Annual Report.

Information

Liaison with the press, municipal organizations and the general public was an important activity during 1968.

Although press liaison is maintained on a day-to-day basis, special arrangements were made for the Minister in Ottawa in connection with the new regional government and also for the introduction of the Residential Property Tax Reduction Program. Considerable information was dispatched by mail and telephone concerning these two projects.

Workshops

Staff attended and reported on workshops operated by the Association of Ontario Counties in Perth and Goderich.

In addition, at the request of the Department workshop committee, an inventory was prepared of all workshops, seminars and courses held by various municipal groups and government departments during 1967 and proposed for 1968.

Conventions

A Department suite was maintained at the annual conventions of the Ontario Association of Rural Municipalities and the Ontario Good Roads Association. Information and Education staff made arrangements for these suites, scheduling and assisting with the staffing during the duration of the conferences.

Material was prepared for the O.G.R.A. councillors' seminar and staff assisted in briefing panellists from Vaughan Township.

On request, a staff member spoke on public relations at the Quetico seminar in Northern Ontario. In addition staff supplied conference public relations checklists to several other government departments on request.

Courses

Information and Education staff continued to serve as Department representatives on the Ontario Conference on Local Government, which operates municipal affairs courses throughout the province.

During 1968 courses were held in Kingston, Owen Sound, Oakville, Toronto, Sault Ste. Marie and Chatham. Graduating students were presented with certificates signed by the Minister.

Staff continued to build up the Speakers' Bureau and arranged speakers, panellists and chairmen for these courses. In the fall all three courses reached the maximum enrolment.

Staff members undertook chairman and speaker assignments, prepared checklists for local groups, collected biographies, analyzed course questionnaires, arranged for photographs, and attended as many sessions as possible.

Two members of staff served on the executive committee of the Conference and handled all public relations co-ordination for the courses. They also helped prepare the Conference newsletter and supplied an article on the Conference for *Municipal World*.

In addition staff worked with the Indian Affairs Branch of the Federal Department of Indian Affairs and Northern Development concerning adaptation of these courses to a program appropriate for Indians. Several local band meetings were attended and material was researched on courses presently available.

ONTARIO CONFERENCE ON LOCAL GOVERNMENT –
KINGSTON COURSE



Involvement . . .



. . . Congratulations

Other Activities

- ♦ Maintenance of a clipping service
- ♦ Maintenance of biographies and pictures of Department staff
- ♦ Arrangements for photographs on request
- ♦ Provision of information and assistance by correspondence and telephone
- ♦ Arrangements for press conferences
- ♦ Department public relations
- ♦ Distribution of local government review reports
- ♦ Files analysis and reorganization
- ♦ Collection of up-to-date material on government action in other Departments

LAW BRANCH

Responsibilities

- ♦ To provide advice and legal opinions
- ♦ To consider and prepare legislation
- ♦ To prepare various legal documents
- ♦ To represent the Department and the Minister on matters before the Ontario Municipal Board

Legal Services and Advice

The Law Branch provides advice and legal opinions on matters pertaining to municipal law. The Department administers approximately 30 Statutes covering a wide range of subjects, many of them very technical. The Branch provides assistance on problems relating to these Statutes to:

- ♦ Branches of this Department
- ♦ Other Government Departments
- ♦ Municipal officials, elected and appointed
- ♦ Local boards
- ♦ General public

Legal assistance provided to other branches of the Department included preparation of agreements, regulations, Minister's Orders, Order-in-Council recommendations and other legal documents. Branch staff also passed upon the validity of various by-laws, contracts or other instruments having legal implications.

Of growing importance in the work of this Branch is the provision of a consulting service for solicitors dealing with particularly difficult municipal problems.

Preparation of Legislation

The preparation of the Department's legislative program involves considering proposals, reporting on them to the Deputy Minister and drafting them into statute form.

A number of Private Bills were examined by the Branch and were discussed with officials of the petitioning municipality. In cases where the Department's objections to certain segments of these Bills could not be resolved with the petitioning municipality prior to the introduction in the Legislature, the Department's views were presented before the Private Bills Committee.

Representation Before the Ontario Municipal Board

The Branch appeared before the Ontario Municipal Board on behalf of the Minister and the Department in such matters as committee of adjustment appeals, applications for municipal incorporation or alterations of municipal boundaries, assessment equalization appeals, and various other matters.

Also, in connection with the Ontario Municipal Board, the Branch prepared reports on a number of petitions filed with the Lieutenant-Governor in Council regarding decisions of the Ontario Municipal Board. This involved consultation with other branches, departments, agencies and individuals.

Summary of Legislation Affecting Municipalities

The Branch prepared a booklet summarizing current legislation that directly affects municipalities. This summary was distributed to as many municipal officials and other interested persons as possible to aid them in keeping up to date on the legislation enacted at the 1968 Session of the Legislature.

Other Activities

The Branch provided or assisted in drafting various brochures, memoranda, instructions and informative material for distribution to municipalities and local boards.

Branch staff attended various conferences and meetings of municipal officials to present Department views and various papers on matters affecting municipalities.

MAJOR ACTS ADMINISTERED BY THE DEPARTMENT OF MUNICIPAL AFFAIRS

- * The Assessment Act
- * The Department of Municipal Affairs Act
- * The Drainage Act
- * The Line Fences Act
- * The Local Improvement Act
- The Moosonee Development Area Board Act, 1966
- * The Municipal Act
- The Municipal and School Tax Credit Assistance Act, 1967
- The Municipal Arbitrations Act
- The Municipal Corporations Quieting Orders Act
- The Municipal Franchise Extension Act
- The Municipal Franchises Act
- The Municipal Subsidies Adjustment Act
- The Municipal Tax Assistance Act
- The Municipal Unconditional Grants Act
- The Municipal Works Assistance Act
- * The Municipality of Metropolitan Toronto Act
- * The Ontario Municipal Board Act
- The Ontario Municipal Employees Retirement System Act, 1961-62
- * The Planning Act
- The Pounds Act
- * The Public Parks Act
- * The Public Utilities Act
- The Regional Municipality of Ottawa-Carleton Act, 1968
- The Residential Property Tax Reduction Act, 1968
- The Territorial Division Act
- * Consolidation

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Ontario, Department of Municipal Affairs, 1969 Annual Report



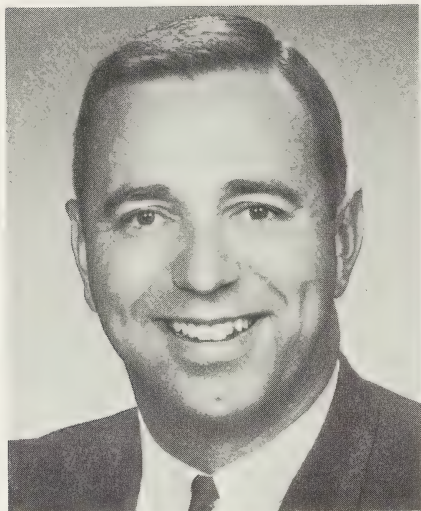


ANNUAL REPORT

1969

DEPARTMENT OF MUNICIPAL AFFAIRS

ONTARIO



THE HONOURABLE W. DARCY MCKEOUGH
Minister of Municipal Affairs

MINISTER OF MUNICIPAL AFFAIRS

AND MEMBER OF LEGISLATIVE ASSEMBLY FOR CHATHAM-KENT

OFFICE: TORONTO 416/365-1884 - CHATHAM 819/362-7110 • RESIDENCE: 819/876-8888



801 Bay Street
Toronto 5, Ontario

May 22, 1970

The Honourable W. Ross Macdonald
Lieutenant-Governor of the Province of
Ontario

Your Honour:

The undersigned has the privilege of
submitting for the information of Your
Honour and the Legislative Assembly, the
Annual Report of the Department of Municipal
Affairs.

Respectfully submitted

A handwritten signature in blue ink, appearing to read "W. Darcy McKeough", with a horizontal line underneath.

W. Darcy McKeough
Minister

DEPARTMENT OF MUNICIPAL AFFAIRS

601 BAY STREET • TORONTO 5, ONTARIO • 385-1527



Office of the Deputy Minister

TO THE HONOURABLE W. DARCY McKEOUGH
MINISTER OF MUNICIPAL AFFAIRS

I have the honour to present to you the
Thirty-sixth Annual Report of the Department
of Municipal Affairs for the calendar year
ended December 31, 1969. This Report is
presented in accordance with section 5 of
The Department of Municipal Affairs Act.

Respectfully submitted,

A handwritten signature in blue ink, reading "W. H. Palmer".

W. H. PALMER
DEPUTY MINISTER

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DIRECTORY

Minister

Executive Assistant

Special Advisor

Deputy Minister

Executive Officers

Chief, Information & Education Services

Assistant Deputy Minister

General Municipal Counsel

Executive Director, Administration &
Finance Division

Director, Administrative Services Branch

Director, Personnel Branch

Chief Accountant

Executive Director, Assessment Division

Director, Assessment Education Branch

Director, Assessment Standards Branch

Director, Community Planning Branch

Director, Law Branch

Director, Municipal Accounting Branch

Director, Municipal Finance Branch

Director, Municipal Organization and
Administration Branch

Director, Municipal Research Branch

Director, Municipal Subsidies Branch

Director, Systems Development Branch

HON. W. DARCY MCKEOUGH

D. A. BRATTON

L. R. CUMMING, Q.C.

W. H. PALMER

V. BOZZER

A. N. DUNNE

J. M. MAIN

PAUL HICKEY

C. W. YATES, Q.C.

W. G. RITCHIE

G. W. EDWARDS

R. A. QUIRK

R. G. FERGUSON

P. G. GILLIS

E. R. BAILEY

A. N. MACKAY

D. F. TAYLOR

J. W. BELL, Q.C.

A. W. REEVE

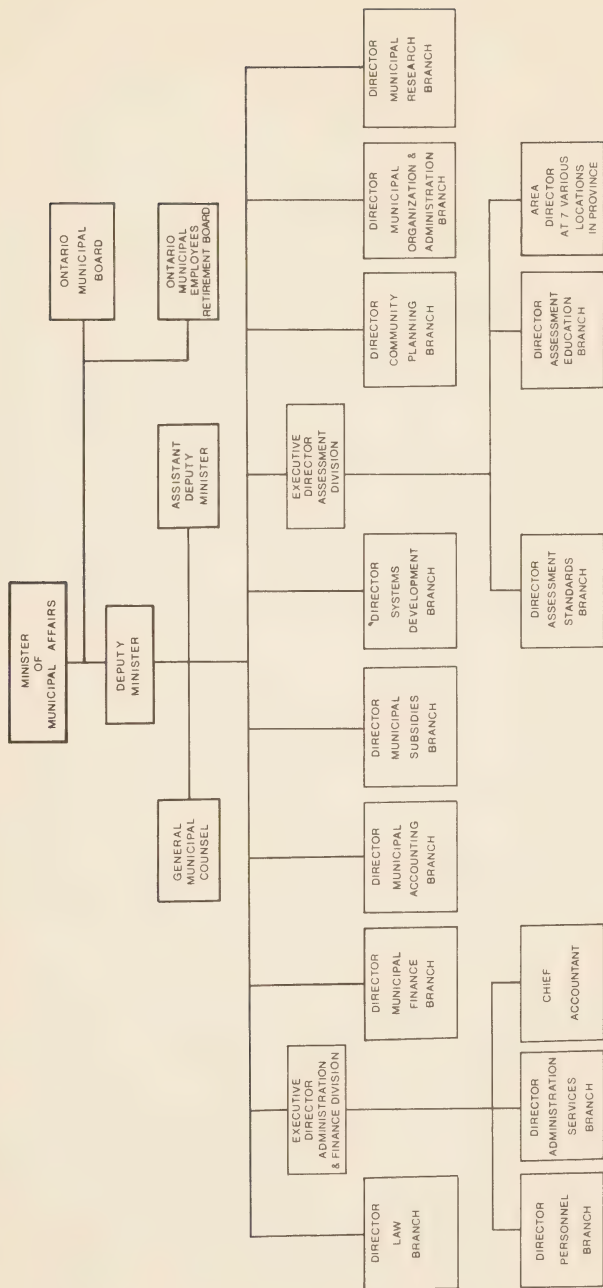
E. M. FLEMING

A. T. BUTLER

S. CLASKY

M. D. TREWIN

DEPARTMENT OF MUNICIPAL AFFAIRS — ORGANIZATION CHART



PUBLICATIONS

Annual Report

Summary of Legislation Affecting Municipalities

Bulletins and Instructional Guides

ACCOUNTING

Municipal Finance Manual

ADMINISTRATION AND ORGANIZATION

Provincial Assistance to Municipalities, Boards and Commissions

ASSESSMENT

Data Collection Manual

Data Collection Code Book

Manual – Handbook of Cost Factors

Appraisal Notes for the Assessor

Municipal Assessor in Ontario

COMMUNITY PLANNING

Ontario Planning Newsletter

The 3R's of Citizen Participation

Network Diagrams and the Official Plan

Land Use Compatability – International Airport

Ontario Population Statistics

FINANCE

Summary of Financial Reports of Municipalities

Summary of Financial Reports of Municipal Enterprises

Municipal Directory

RESEARCH

Design for Development – Phase Two

Hamilton-Burlington-Wentworth – Report and Recommendations

Hamilton-Burlington-Wentworth – Summary of Report and
Recommendations

Muskoka District Local Government Review – Final Report and
Recommendations

Muskoka District Local Government Review – Summary of Report
and Recommendations

Interdepartmental Committee on Government at the District Level in
Northern Ontario – Report and Recommendations

COMMUNITY PLANNING BRANCH

Responsibilities

- ♦ To administer the terms of The Planning Act
- ♦ To provide a planning and development advisory service and assistance, upon request, to municipalities, other Department branches and organizations

Objectives for 1969 included: the undertaking of research designed to improve our ability to deal with a variety of community planning problems; increasing the extent of planning advisory services to Ontario municipalities; reducing the time taken in dealing with applications requiring planning approval through this office; increasing the number and frequency of publications; and conducting more in-service training courses.

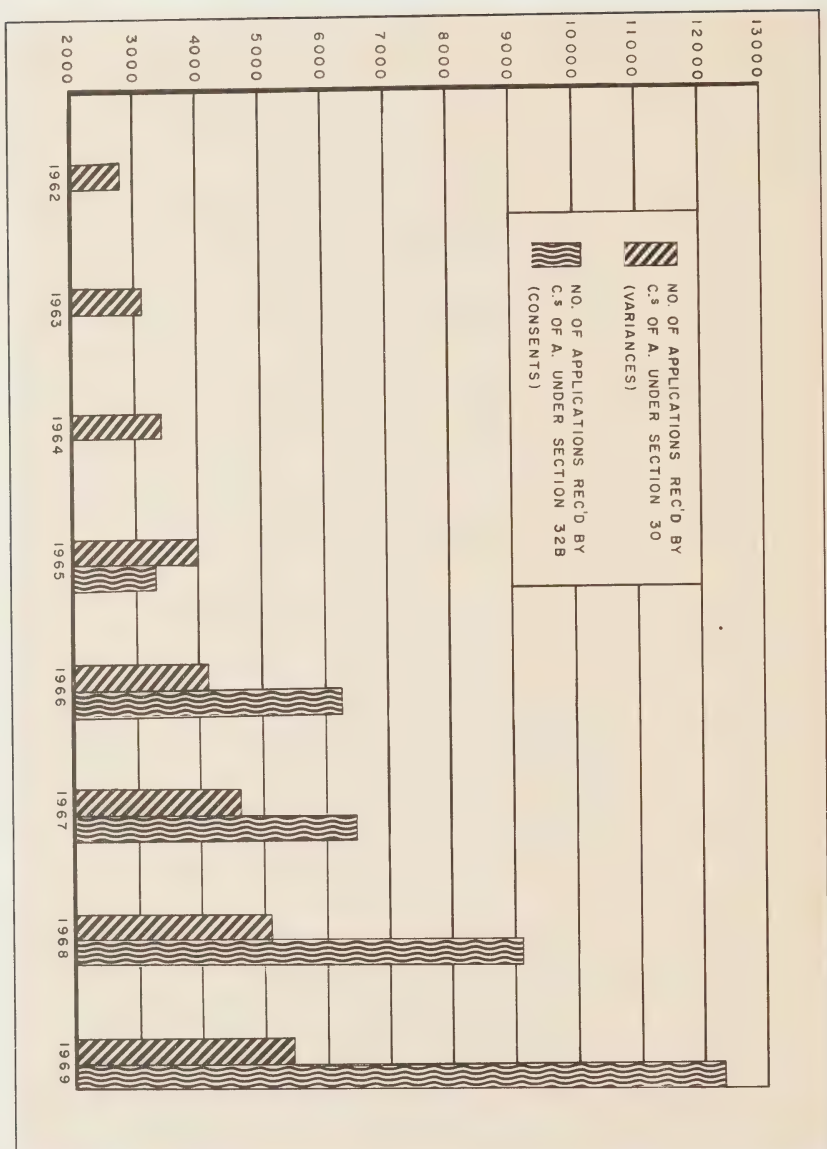
While the following report will indicate progress was made in accomplishing some of these objectives, it will also indicate a substantial short-fall in other areas.

The chart on page 2 dramatically illustrates the main reason why a number of the objectives were not met. A substantial portion of staff time had to be concentrated on handling a large increase in the number of applications submitted for approval and/or review. The increase in applications is particularly obvious in regard to consent applications requiring the Minister's approval.

Planning Organization

An important precedent in planning organization was set when the Regional Municipality of Ottawa-Carleton became operative on January 1, 1969. The statute establishing the regional municipality retained the devices of the planning area and the planning board at the regional-municipal level. However, it also provided that the regional council should be the planning board, thus departing from the pattern established by The Planning Act for planning boards to be separate agencies composed partly of municipal councillors and partly of non-councillors.

This new principle of eliminating the special purpose planning board was followed in the legislation establishing the new City of Thunder Bay



and the Regional Municipality of Niagara, as of January 1, 1970. The Niagara statute goes one step further than its Ottawa counterpart. Not only does it constitute the regional council as the planning board for the regional area, but it also provides that each of the 12 area municipalities is to be a subsidiary planning area with its council as the planning board.

A significant feature of both the Ottawa-Carleton and the Niagara legislation is the inclusion of deadlines for preparing official plans for the regional municipalities.

Other significant departures from accepted practice in the field of planning organization are to be found in the Oshawa Area Planning and Development Study and in the Haldimand-Norfolk Study.

Planning Areas

The largest planning area established in 1969 – the West Nipissing Planning Area – was, in fact, not a new one. It comprised the former Sturgeon Falls and Suburban Planning Area, expanded by the inclusion of 23 geographic, unorganized townships.

The following new planning areas were defined in 1969:

<i>Planning Area Defined</i>	<i>Date Defined</i>	<i>Territory Included</i>
♦ Valley East	January I	Valley East Township
♦ Ottawa	January I	Ottawa City
♦ Ottawa-Carleton	January I	Municipalities in Regional Municipality of Ottawa-Carleton
♦ Township of Muskoka	March 27	Muskoka Township
♦ Rockland	April 25	Rockland Township
♦ Oro	June 13	Oro Township
♦ Ryde	June 19	Ryde Township
♦ Barry's Bay	August 27	Barry's Bay Village
♦ Elgin	September 17	St. Thomas City Belmont Village Port Stanley Village Southwold Township Yarmouth Township
♦ East Luther	November 17	East Luther Township
♦ North Walsingham	December 12	North Walsingham Township

The following planning areas were altered:

- ♦ Nickel Basin Planning Area – altered March 24 to reflect changes in municipal organization ordered by the Ontario Municipal Board
- ♦ West Nipissing Planning Area – enlarged July 15 to include Township of Field and 23 unorganized townships
- ♦ Hearst Planning Area – enlarged July 18 to include seven unorganized townships
- ♦ Guelph and Suburban Planning Area – enlarged December 11 to include Village of Erin and Township of Erin
- ♦ Albion and Caledon East Planning Area (formerly Albion Planning Area) – enlarged December 16 to include Village of Caledon East

Total number of planning areas in existence, compared with previous years, is as follows:

<i>Type of Board</i>	<i>1965</i>	<i>1966</i>	<i>1967</i>	<i>1968</i>	<i>1969</i>
Single Independent	156	156	156	165	170
Subsidiary	158	157	164	165	165
Joint-Subsidiary	—	3	3	4	4
Joint	82	73	74	74	76
TOTAL	396	389	397	408	415

Minister's Orders

The number of Minister's orders, particularly those relating to subdivision control, greatly increased over 1968.

In the 23 years ending in 1968, a total of 37 orders had been made under the provisions of Section 27 of The Planning Act. Almost all dealt with subdivision control in unorganized territory in Northern Ontario.

A vastly changed situation developed in 1969, when 86 orders were established, covering 53 organized municipalities and 569 townships without municipal organization. As a result, a total of 76 organized municipalities and 1,039 unorganized townships are now covered by subdivision control orders.

These orders were in response to rapid growth pressures in areas where, historically, expansion had been slow and where municipalities had not yet established the kind of municipal organization and approach necessary to adequately deal with the new growth. Experience has shown that failure to respond quickly to these land subdivision and construction trends will lead to unnecessarily increased future costs for homeowners, municipalities, and the province.

Many municipalities have recognized the necessity of guiding land division activities within their limits and have made use of the powers available to them to enact subdivision control by-laws under the provisions of Section 26 of The Planning Act. Some 77 municipalities passed by-laws in 1969 and, as of December 31, a total of 528 municipalities had enacted subdivision control by-laws.

Subdivision Plans

The number of applications submitted for approval under Section 28 of The Planning Act continued to increase, with 1,024 subdivision plans submitted in 1969. This exceeded the 1968 total by approximately 12%. These plans proposed the creation of roughly 70,000 parcels of land for various purposes, e.g., single and multiple family residential, commercial and industrial, and vacation cottage use.

In addition, approximately 180 plans were submitted in 1969 in a form substantially different from the original application.

During the year 566 plans received final approval, compared to 509 last year. Plans actually registered numbered 604, a 24% increase over 1968 and 37% over 1967.

Representatives of the development industry often refer to excessive time taken in obtaining subdivision approval. The time elapsed between the initiation of the idea by a subdivider and the point where lots may be sold is lengthy, sometimes frustratingly so for the company or individual who has substantial investment in the proposal.

This Branch recognizes that, in the current market situation at least, the longer the period of time, the higher the cost of the parcel created by the plan of subdivision.

In the securing of draft plan approval, which is a most vital part of the entire approval process, the Branch has substantial control over the time element. The following table indicates the time between an applicant's first submission to the Minister and draft approval of a plan. Figures are based upon an examination of 100 consecutive plans receiving draft approval during the year.

<i>Time of Approval</i>	<i>No. of Plans</i>	<i>% of Plans</i>
0 – 3 months	11	11%
0 – 6 months	41	41%
0 – 9 months	57	57%
0 – 12 months	76	76%
Over 12 months	24	24%
	100	100%

The time is not as lengthy as is often publicly expressed but it is still greater than it should be and every effort is being made by the Branch to reduce it. One of the time saving techniques initiated in 1969 was the transfer of certain subdivision approval responsibilities to the northwest field office. This approach will probably be extended to other field offices in the future.

Official Plans

Official plans and amendments to official plans require the approval of the Minister, or the Ontario Municipal Board, before coming into force.

During the year 26 new official plans and 228 amendments were submitted for approval. Twenty-two official plans and 195 amendments were approved.

Twenty of the official plans approved were for municipalities not previously having such policy statements. Two were completely new plans for municipalities whose previous ones were deemed obsolete and incapable of providing positive guidance to public decision making.

New plans were approved for the following municipalities: Townships of Albion, Amabel, Balfour, Capreol and Hamner, Cayuga and North Cayuga, West Garafraxa, Goulbourn, Innisfil, Mountjoy, Sandwich South, Sunnidale, Whitchurch; Towns of Port Hope, Port Credit, Goderich, Espanola, Caledonia; City of Cornwall; and the planning areas of Couchiching, Central Oxford, Central Perth.

Many of the plans approved in 1968 and 1969, were for municipalities that were predominantly agricultural in character, or were rural municipalities with extensive growth in vacation properties. This indicates an increasing recognition that official plans, as public statements of development policy, apply to all types of municipalities – urban and rural, large and small, rapid growth and slow growth.

Many of these plans have resulted directly from Branch advisory services. In 1969, staff of the Official Plans Section participated in over 1,400

meetings to discuss matters relating to official plans, zoning by-laws and committee of adjustment operations. Approximately 500 of these meetings took place outside the Branch office.

Committees of Adjustment

Committees were established in 25 municipalities in 1969, bringing to 289 the total number in existence at the end of the year.

Committees have two basic responsibilities under The Planning Act: acting on requests to permit minor variances from the provisions of zoning by-laws, and dealing with consent applications where subdivision control by-laws are in existence.

The table on page 8 indicates their scale of operations.

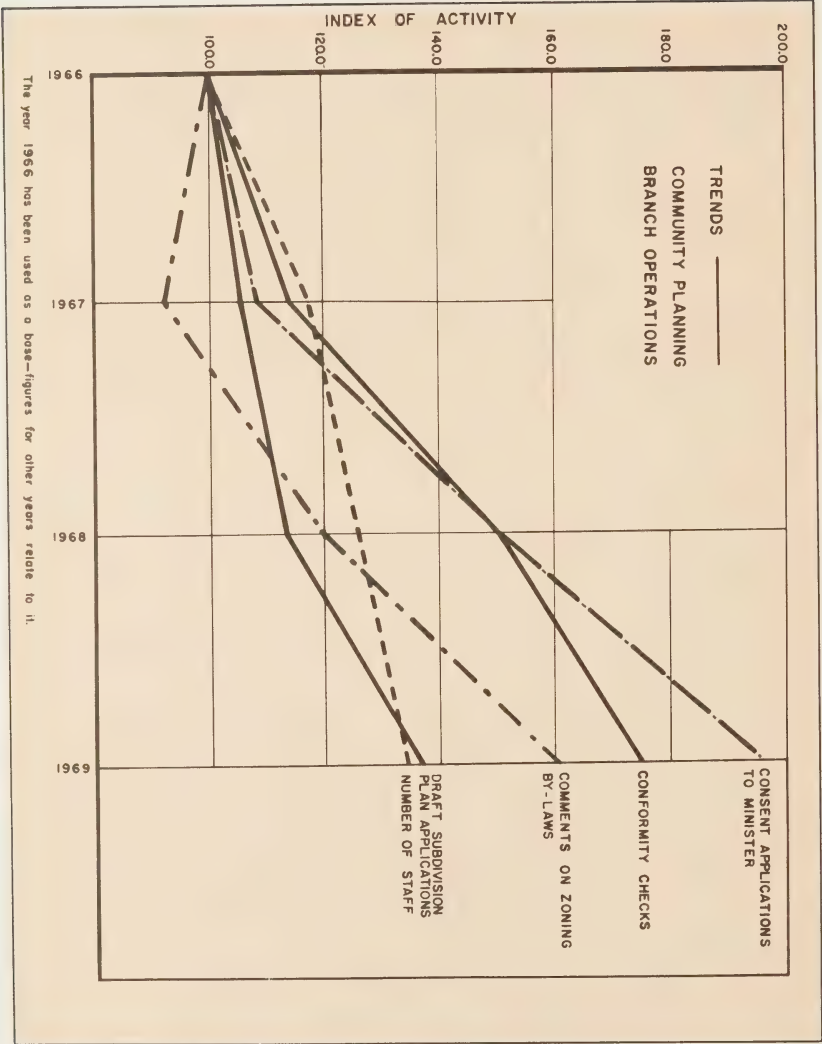
In addition, the Minister received 5,633 consent applications from areas where subdivision control was in effect but no local committee existed, or where Minister's orders were in force. Decisions were made on 4,530 applications, an increase of 30% over 1968. In approximately 15% of the cases dealt with, approval was not recommended.

A total of 104 decisions of committees were appealed to the Ontario Municipal Board by the Minister. The most common reasons for appeals were:

- (1) Inconsistency of committee decision with principles expressed in the municipality's official plan;
- (2) Committee had dealt with applications which should have been submitted as plans of subdivisions; and
- (3) Decisions conflicted with government policy expressed in the "Urban Development in Rural Areas" statements by the Minister of Municipal Affairs.

The Branch is deeply concerned about the very large number of lots being established as a result of committee decisions. In some municipalities, decisions are being made with apparent insufficient concern about the implications for the future social and economic structure of the municipality. The long-term effects of this approach can be severe. Approval of 100 consents can be much more significant than the same number of lots in a plan of subdivision, and therefore great care must be given to both matters. Branch staff will continue to promote awareness of this in the municipalities.

The total number of consents approved by Committees of Adjustment and the Minister during 1969 was approximately 15,000.



Condominium Plans

During the year 29 condominium plans were submitted for approval, compared to 10 in 1968. Eighteen plans were given final approval and 14 were registered.

Zoning By-laws

One of the major advisory functions of the Branch relates to the preparation of zoning by-laws.

During 1969, Branch staff examined and commented on 1,801 zoning by-laws submitted to the Ontario Municipal Board for approval, and 52 draft by-laws submitted directly to the Branch for comment prior to adoption by the municipal council.

The total number of comments made increased by 11% over 1968.

Urban Renewal

In the fall of 1968 the federal government announced a deferment of all new financial assistance to urban renewal activity under The National Housing Act pending completion of a report by the Task Force on Housing and Urban Development. This report was tabled in the federal legislature in January, 1969.

As a result, further federal participation in urban renewal was suspended with the following exceptions: completion of projects where a formal agreement had been signed between the federal government and a municipality prior to the 1968 deferment; and a few special cases where specific commitments had been made and where failure to complete the project would have resulted in exceptional financial difficulties for municipalities.

Thus ended an era in which many municipalities in Ontario had undertaken, on the promotion of both the federal and provincial governments, many projects having an important bearing on the ability of urban areas to effectively meet changing demands. A partial but extensive listing of the kinds of projects undertaken under the program was presented in the 1968 Annual Report.

In September, 1969, the federal Minister responsible for urban renewal requested that Ontario submit proposals and priorities for urban renewal in Ontario. Following a special meeting between the Minister of Municipal Affairs and the mayors of Ontario municipalities currently engaged in urban renewal, a position statement was prepared and submitted to the federal government. As of the end of 1969, no direct response to the statement's recommendations had been made.

During 1969, a large percentage of Branch effort in urban renewal was directed towards anticipating and reacting to federal attitudes, and seeking to adjust existing projects to fit new circumstances. In addition,

urban renewal staff held more than 300 meetings with municipalities, and carried out several research projects relating to maintenance and occupancy by-laws and to inter-governmental administrative procedures.

In January, 1969, a guide for citizen participation in the preparation and implementation of urban renewal projects was completed. The guide, entitled "Urban Renewal: The 3R's of Citizen Participation", received wide response from Ontario municipalities and other provinces. Research into various ways of involving citizens in future urban improvement activities continued throughout 1969.

Maintenance and Occupancy By-laws

Research on maintenance and occupancy by-laws, undertaken by the Branch with the assistance of Mr. M. B. M. Lawson, planning consultant, neared completion in 1969. The purpose of this study was to investigate the condition of property in Ontario, to assess the adequacy of present measures to maintain it in good condition, and to propose policies and programs to overcome deficiencies and help achieve adequate standards of maintenance and occupancy.

While only Hamilton received Ontario Municipal Board approval to adopt a maintenance and occupancy by-law, the Borough of East York obtained private legislation to enact a by-law relating to the maintenance of non-residential property. Action was deferred on at least a dozen other interested communities, pending the outcome of the departmental study.

Building By-laws and Building Standards

In 1968, the Minister appointed a committee of prominent business and professional persons to study the National Building Code, provincial regulations relating to building standards and practices, the possibility of building by-law uniformity and other relevant matters.

Many meetings were held during 1969, and presentations from the construction industry and various government departments were considered. The head of the Branch's Extension Division served as liaison between the Department and the committee. Valuable contributions were made by the staff of the Division of Building Research, National Research Council of Canada and many others.

The final report was made available for public distribution on January 9, 1970.

Toronto International Airport

After many discussions with federal and municipal authorities on present and anticipated aircraft noise levels, the Department announced a policy in October regarding the use of lands for development purposes around the Toronto International Airport.

The report accompanying the policy statement described the land uses permissible in various areas surrounding the airport. It was designed to assist the Department in dealing with official plan, land subdivision and other applications originating near the airport.

This report received widespread interest as a method of approach to a problem confronting many countries, and was discussed at the International Civil Aviation Association Conference in Montreal in December.

In addition, Branch staff worked with representatives of other provincial departments and the federal Department of Transport in studying possible locations for "Toronto 2" – the second major airport for the Toronto region.

Publications

While fewer publications were issued in 1969, due to staff pressures in other areas, preparatory work was achieved on a substantial number of publications for production in 1970. These will cover subdivision procedures and design, and planning education.

Titles of planning publications produced in 1969 are included in the publication list at the front of this Annual Report.

Staff

Branch permanent and probationary staff totalled 133 at the end of 1969. During the year, 38 persons were taken on staff, and 31 left. Analysis of the reasons given for retirement by technical and professional staff again indicate a strong desire to secure further academic training in planning, and to secure additional remuneration and new kinds of experience by working with planning consultants and planning authorities.

Two staff members were granted educational leave to attend planning schools. Five additional technical staff resigned to attend university.

Late in 1969, Mr. John Longworth, formerly deputy planning director in Windsor, was engaged to head the London office as of February, 1970.

Special Committees

Staff continued to serve on a large number of committees. Those involving a considerable number of meetings and staff research responsibilities included:

- ♦ Agricultural Rehabilitation and Development Act Directorate
- ♦ Administrative Subcommittee on Townsites
- ♦ Central Ontario Regional Development Board
- ♦ Northwestern Ontario Regional Development Board
- ♦ Inter-Departmental Committee on Tourism and Outdoor Recreation

- ♦ Wasaga Beach Study Committee
- ♦ Waterloo-South Wellington Study Committee
- ♦ Niagara Escarpment Study Committee
- ♦ Canada-Ontario Rideau Study Committee
- ♦ National Research Council – Standing Committee on Residential Standards
- ♦ Stratford Seminar on Civic Design
- ♦ Inter-Departmental Committee on Pits and Quarries
- ♦ Committee on Government in Northern Ontario
- ♦ Oshawa Area Planning and Development Study
- ♦ Goals Planning Committee – Toronto Centred Region
- ♦ Advisory Committees to Various Community Colleges
- ♦ Ontario Housing Advisory Committee
- ♦ Committee on Uniform Building Standards for Ontario
- ♦ Committee on Multiple Use and Joint Development of Service Corridors

Haldimand-Norfolk Study

As a result of the plans of the Steel Company of Canada Limited to construct a large new steel production complex on Lake Erie near Nanticoke, the Minister established a special study group within the Department. Its purpose was to plan, in co-operation with other government departments, for the physical growth of the two-county area and the co-ordination of transportation and other services. The study group will also make recommendations for the restructuring of local government in the area.

Acquisition of land in Elgin County for another steel plant, and the announcement that an oil refinery will be built near the Steel Company site, indicate a strong probability that this heretofore predominantly agricultural region will be transformed into a major industrial area well before the end of the century. This confirms the need for effective planning and an up-to-date system of municipal government.

The study group at present has a professional staff of three, which will be expanded in 1970. It has established offices in both counties in addition to its office in the Department in Toronto. The assistant director of the study is based in the two local offices.

The group is co-operating effectively with a Joint Study Committee established by the two county councils. This has, in turn, set up six sub-

committees to examine specific aspects of future development and planning in the study area. The study group has met frequently with the Joint Study Committee and its sub-committees, as well as with the county and municipal councils, planning boards and other bodies within the area.

In addition to its own research program, the study group has obtained much valuable information from the Joint Study Committee and from other government departments. Detailed information on the physical characteristics and potential of the study area will be provided by a special research project being carried out under contract.

Preliminary concepts for the future urban and industrial growth pattern of the study area are now being examined.



DEPT. OF MUNICIPAL AFFAIRS
GAP CONSTRUCTION CO. ASSESSMENT CONTRACT 1
AERIAL VIEW E. OF BONTARCT
PHOTO 15 DATE SEPT 18/51
RAILTON STUDIO NORTH BAY

Research

Considerable research was directed in 1969 towards determining priorities and setting up a long-range program for studying planning issues of widespread interest to municipalities.

Specific items in the program call for: a continuation of current research on commuter rail impact on land use, growth allocation models, lake capacity for resort development and subdivision design; and the commencement of studies on regional shopping centre impact, mobile homes, public open space standards, lot sizes and impact of low density urban growth in rural areas.

Consistent with our policy of working with specific municipalities conducting research that applies to many areas of the Province, the Branch provided assistance to Ryde Township in conducting studies relating to the optimum capacity of their lake resources.

Townsites

Work continued on several new, or expanded, townsites during the year – Ear Falls, Temagami and Moosonee. Staff also conducted extensive studies on the possibility of a townsite in the Shebandowan area of North-western Ontario to meet anticipated growth generated by the International Nickel operation on Lake Shebandowan.

Meetings

One of the primary functions of the Branch is to provide advisory services to municipalities and the public regarding community planning.

One indication of the extent of this service is the number of meetings held with municipal councils and their staff, planning boards, committees of adjustment, consultants, applicants, other departments and members of the public. During 1969, more than 5,000 such meetings were held both in Toronto and in the field, a substantial increase over previous years.

Other Activities

- ♦ Land use and population studies for the Department of Highways
- ♦ Processing of pipe-line applications
- ♦ Road closing applications
- ♦ Review of applications to sell 5% lands secured under Section 28
- ♦ Provision of assistance to municipalities on building by-laws
- ♦ Holding of workshops for municipal councils, planning boards and staff to discuss planning problems, techniques and policies

- ♦ Lectures to associations, university seminars, department staff courses, training courses for Ontario Land Surveyors, etc.
- ♦ Distribution of questionnaires to planning boards and committees of adjustment, and analysis and publication of replies
- ♦ Production of graphic and statistical material for workshops, conferences and department publications
- ♦ Orientation courses for new planning staff of municipalities
- ♦ Graphic description of quieting orders
- ♦ Municipal status and boundary change plottings
- ♦ Commenting on proposed annexation and amalgamation applications to Ontario Municipal Board
- ♦ Co-operative training program for planning technicians with Sheridan Community College
- ♦ Staff training course on writing

MUNICIPAL ACCOUNTING BRANCH

Responsibilities

- ♦ To provide a financial management advisory service to municipal treasurers, clerk-treasurers, and auditors on such matters as budgeting, accounting, reporting, auditing, and financing of local government
- ♦ To ensure that the annual financial statements and auditors' reports satisfactorily reflect the financial operations of each municipality in Ontario
- ♦ To conduct studies and research projects which will develop municipal accounting and reporting principles and practices in Ontario
- ♦ To promote the use of accepted auditing standards and techniques in Ontario municipalities and to administer a licensing system for municipal auditors
- ♦ To study, analyse, and propose solutions to special financial management problems resulting from changes in municipal structures and forms of organization, legislative requirements, alterations to provincial programs, etc.

Municipal Advisory Services

This program, which promotes efficient financial management in Ontario municipalities, receives the full co-operation of municipal treasurers, clerk-treasurers, auditors and the associations or organizations representing these municipal officials. It enables the Department to assess the effects of recent changes in structures and forms of organization brought about by legislative requirements and various provincial programs.

Since 1964, the Branch has progressively staffed regional offices to provide a personal and comprehensive local service. Experienced financial management advisors are now located in regional offices in London, Ottawa, Peterborough, and Sudbury.

During 1969, extensive demands for counsel and assistance were made on the four regional advisors by both appointed officials and elected representatives. Of 750 visits during the year to municipal offices and to

municipal auditors, approximately 500 were made by the regional advisors.

This acceptance of the regional service, along with a continued demand for personal attention from areas of the Province not presently serviced by a regional advisor, prompted the Branch to conduct a study during the year on the feasibility of locating more advisors in regional offices. The results of this study indicated that this would be beneficial.

Accounting advisors contacted municipalities by letter, telephone and through group seminars during 1969. Personal visits, mainly on request by municipal officials, increased by approximately 30% over 1968.

Advisors participated in conferences, zone meetings, and workshops sponsored by various municipal organizations. Staff also accepted invitations to speak on municipal accounting matters at regular and special council meetings of municipalities.

In order to encourage municipalities to adopt modern and efficient financial management techniques, advisors prepared and sent to them reports containing financial statistics on such matters as tax due dates, collection policies and tax arrears. Memoranda outlining capital budgeting, capital borrowing, and tax collection procedures were also distributed. The favourable reaction from municipalities indicated the desirability of extending this phase of the advisory program.

Advisors encouraged municipal officials to hold group meetings with officials of neighbouring municipalities to discuss matters and problems of mutual concern. These discussions involved such topics as joint participation in large capital projects, and possible consolidation or amalgamation of municipalities.

Financial management methods or techniques discussed with municipal treasurers and clerk-treasurers included:

- ♦ Preparation and control devices for current operating budgets
- ♦ Preparation of capital budgets and forecasts, and capital borrowing procedures
- ♦ Temporary investment and borrowing procedures, and cash flow studies
- ♦ Tax billing and tax collection procedures
- ♦ Mechanized and manual accounting systems, and systems for classifying accounts
- ♦ Financial statement preparation, presentation and analysis
- ♦ Internal financial and related reporting systems
- ♦ Special capital levies and capital financing techniques
- ♦ Working fund reserves, their necessity and advantages
- ♦ Principles and practices of accounting for drainage undertakings

A close liaison was also maintained with municipal auditors throughout the year in order to answer inquiries about the legislation affecting municipal finance, as well as to deal with specific problems encountered during the annual audit of municipalities.

Municipal Finance Reporting

The annual financial statements and auditors' reports of the municipalities and their local boards are filed with the Department each year.

Branch staff examined the 1968 reports in order to:

- ♦ Review the municipality's financial position
- ♦ Ensure that the provisions of provincial statutes were observed
- ♦ Ensure that the statements were prepared uniformly, as prescribed by the Department, so that inter-municipal comparability of financial information was possible
- ♦ Ascertain if the municipality could benefit from Branch advisory services

In the past, the need for comprehensive information related to the financing of municipalities in Ontario has been met almost entirely from the annual financial statements and supporting schedules submitted to the Department each year.

However, society continues to become increasingly urban, local government structures are changing, municipal administration is growing more complex, and municipal expenditures are assuming more importance in the overall economy. As a result, all levels of government are demanding more detailed, comparable, and comprehensive municipal financial data and related information.

During 1969, senior staff spent considerable time analyzing the needs, availability and methods of gathering information essential for the future development of local governments within the total economic structure.

Municipal Accounting Research

During 1969, Branch staff examined carefully the results of major reporting changes introduced in 1968 to provide meaningful financial information about the affairs of municipalities and satisfy the widely different requirements of the users of such information. The difficulties encountered by municipal officials in preparing the financial reports were also studied. Considering the scope of the change, the quality of financial reporting by municipal treasurers and auditors was far superior to that of previous years.

The Municipal Finance Manual, which was introduced in 1968 and was the first of its kind in Canada, provides instructions for the prepara-

tion of municipal finance statements. It also contains special bulletins on the functional classification of expenditure, net long-term liabilities, and reserves and reserve funds.

Additional bulletins related to capital expenditure and revenue were started in 1969. A revised form of financial statement for local boards was considered for introduction in 1970.

As part of the on-going program to improve municipal financial reporting, further revisions were introduced for the reporting year 1969. The major conceptual change was in the Capital Fund Balance Sheet. For years there was inconsistency in reporting the value of fixed assets of a municipality, and as these assets are financed, the equity in them. Commencing with the 1969 reporting year, the Capital Fund Balance Sheet will show the portion of fixed assets being acquired by means of long-term financing, but will not record a value for fixed assets acquired in past years and now fully financed.

Many municipalities provide their employees with a plan of sick leave benefits. These plans often provide for a termination payment based on unused credits. The Branch, at the request of municipal treasurers, studied the aspect of municipal liability for vested unused credits in an attempt to have these liabilities recorded and financed consistently. Recommendations for the 1969 reporting year were developed and possible refinements for future years studied.

Senior staff attended two sessions of the Eighth Federal-Provincial Conference on Municipal Finance Statistics – one, at which Ontario was the host, in Toronto and the second in Halifax. The results of these deliberations will be published in a municipal finance classification manual for the guidance of, and possible use by, local governments and municipal enterprises in Canada.

The need for conformity, comparability and more accurate and comprehensive information about the financial affairs of local government, has been the main reason for the Eighth Conference. The Branch has worked closely with the Municipal Finance Branch and with the Taxation and Fiscal Policy Branch of the Ontario Department of Treasury and Economics. Their task has been to examine in detail the feasibility of introducing into the management information systems of Ontario's larger municipalities an expanded classification of assets, liabilities, revenue and expenditure.

Senior staff worked with members of an advisory committee, established by the Association of Municipal Clerks and Treasurers of Ontario at the request of the Minister. Staff also undertook in-depth pre-implementation tests of all new ideas and concepts to ensure their acceptability to appointed municipal officials.

Municipal Auditing Research

A major research project, commenced in 1968 and designed to establish

a framework for improving municipal auditing in Ontario, continued in depth in 1969. Branch officers participated in this project together with an outside auditing consultant. The study group received advice and support from a committee of the Institute of Chartered Accountants of Ontario, appointed at the request of the Minister.

The study included an examination of the role of the municipal auditor, his duties and responsibilities, and the professional standards expected of him. The result will help municipal auditors adopt substantial improvements made in general auditing theory and practice in recent years.

During the year, the initial research was completed and the writing of a comprehensive municipal auditing handbook was begun. The handbook will form a valuable working guide for municipal auditors and will become the basis for an educational program on this subject.

Proposed changes to legislation, the distribution of the auditing handbook and other results of the research study will encourage municipal auditors to provide their clients with the highest standard of independent professional service.

Licensing of Municipal Auditors

The Branch operated a system of licensing municipal auditors for 1969. Approximately 200 licenses were issued or renewed. About 170 licensees are actively engaged in municipal auditing.

The proportion of municipal auditors who are chartered accountants in public practice has increased over the years. In 1969, only five per cent of Ontario municipalities were not receiving the services of professional public accountants.

Special Activities and Services

Branch staff undertook a number of special tasks related to municipal accounting and financing.

At the request of the Minister, Branch officers and a solicitor from the Law Branch conducted a special audit into the alleged bonusing of industry by a small urban municipality. The resulting report to the Minister was tabled in the legislature in June.

In addition, the Branch:

- ♦ Designed and helped install accounting systems in several small municipalities, and considered the development of a standard accounting system which could be adopted by other smaller municipalities
- ♦ Completed the administrative and financial aspects of certain capital works in the areas previously known as Brunetville and Val Albert, on the periphery of Kapuskasing

- ♦ Answered many inquiries from homeowners, landlords, and tenants, about the Residential Property Tax Reduction program
- ♦ Discussed education grants formulae, the effect of mining revenue payments on school board requisitions and the establishment of uniform tax due dates, with the Department of Education
- ♦ Provided assistance to the chairman and council of the Regional Municipality of Niagara prior to the engagement of senior officers and the operational commencement of the municipality
- ♦ Provided a senior staff member to be chairman of each of the five Committees of Arbitrators established to dispose of the assets of the dissolved municipalities now incorporated as area municipalities in the Regional Municipality of Niagara
- ♦ Participated in committee meetings dealing with government at the district level in Northern Ontario
- ♦ Took part in meetings conducted by the Municipal Subsidies Branch to explain the accounting treatment required by recent amendments to The Drainage Act
- ♦ Continued its interest and effort in municipal finance education
- ♦ Was represented on the Education Committee of the Association of Municipal Clerks and Treasurers of Ontario
- ♦ Offered 60% reimbursement of tuition fees to students upon successful completion of each year of the A.M.C.T.O. course
- ♦ Maintained close liaison with other Provincial departments and other Branches of the Department, on matters connected with municipal accounting, reporting, and auditing.

MUNICIPAL ASSESSMENT DIVISION

Responsibility

- ♦ To administer the assessment of all real property in the Province for the purposes of municipal taxation

Provincial Assessment

On March 4, 1969, the Treasurer of Ontario announced in his Budget Speech to the Legislature that the Department of Municipal Affairs would assume responsibility for the administration of assessment on January 1, 1970. As a result, this announcement governed many of the Division's activities in 1969.

On January 1, 1969, the Assessment Branch employed approximately 100 persons. On January 1, 1970, nearly 2,000 municipal assessment personnel became employees of the Assessment Division.

The principal reason behind the Government's decision to transfer the assessment function from municipal to provincial jurisdiction was the generally unsatisfactory condition of assessment across the Province. Both the Ontario Committee on Taxation (the Smith Committee), and the Select Committee of the Legislature that studied the Smith Committee's report, commented at length on the inconsistencies and inequities existing in real property assessments.

More than one billion dollars in municipal taxes is raised annually on this assessment base. In addition, assessment is used in calculating many types of provincial grants to municipalities. Inequities in assessment weaken the municipal tax base, place an unfair burden on many municipal taxpayers and distort the distribution of provincial grants.

Preparations for the assessment takeover were made in co-operation with an Advisory Services Project Team. This team helped design an organizational structure for the Division, helped develop administrative procedures and assisted with systems development.

The New Organization

On July 1, 1969, the Assessment Branch became the Assessment Division and two head office branches were created: Assessment Education

and Assessment Standards. A divisional structure was chosen because of the number of different assessment functions to be carried out, the decentralized nature of the assessment operation and the large number of employees involved.

The primary assessment functions, valuation of properties leading to the return of the assessment roll and the conduct of an annual census, will be administered through seven area branches. Each has jurisdiction over a particular geographical area and is headed by an area director.

The area director will be responsible for the administrative control and co-ordination of the assessment function in the several regions comprising his area. He will be assisted by assessment analysts, as well as assessment specialists who will handle the valuation of unique properties throughout the assessment area.

Each area is divided into four or five smaller units called regions, headed by assessment commissioners. The statutory assessment functions will be carried out at this regional level under the commissioner's supervision.

Reporting to the assessment commissioners are valuation managers, who will supervise the assessment of a particular class of properties within the region. In addition, each regional office will have a manager of assessment services to supervise the annual census operation and related activities. A manager of support services will provide administrative support to the regional office.

Reassessment Program

In assuming responsibility for the assessment function, the Government announced its commitment to complete a province-wide reassessment at market value by 1975.

The previous Assessment Act specified that assessments were to be made at actual value. This had been interpreted by the courts as meaning market value. However, only in a very few assessment jurisdictions had any attempt been made to reach and maintain this standard. In over 40 municipalities, 1968 assessments were at less than ten per cent of market value. In 573 municipalities, the overall level of assessment was less than 25 per cent of market value.

As long as all properties in a municipality are assessed at the same percentage of market value, the percentage itself is not important. However, where the overall level of assessment in a municipality is significantly lower than market value, the task of keeping assessments in line becomes very difficult and inequities invariably creep into the system. Inequitable assessment leads directly to inequitable taxation.

An important advantage of market value assessment, as compared to assessment at some unspecified lower level of value, is that the local ratepayer has some standard for judging the equity of his assessment.

Activities

One major Division activity in 1969 was assisting in the preparation of the new Assessment Act. This Act, which was passed at the fall session of the Legislature, made assessment a provincial responsibility. Further provisions revised assessment appeal procedures, made concentrators and smelters of ore assessable and taxable, and specified market value as the basis of assessments.

Division representatives held meetings with the Minister's Special Advisory Committee on Assessment Information, whose members were appointed by the Association of Municipal Clerks and Treasurers of Ontario. This committee was established to ensure that present municipal assessment information needs continued to be met and that future data requirements would be filled. The committee also made more general recommendations and proposed changes to The Assessment Act.

ASSESSMENT EDUCATION BRANCH

The Branch has had two main concerns: retaining the existing cadre of assessors, and producing a supply of well trained new assessors. Because of time shortage, efforts have been concentrated on the latter.

Training New Assessors

Commencing in September, 1967, the Department sponsored the introduction of two-year programs of instruction at five Colleges of Applied Arts and Technology.

Programs vary from college to college, but generally include four terms or semesters of instruction in valuation theory plus field work. Two further terms are devoted to assessment management, dealing with the legal and political aspects of assessment. Instruction in both subjects is given by Assessment Division personnel. The whole program is rounded out by college instruction in economics for four semesters. Other subjects include mathematics and certain communication and arts subjects as required by individual college policies.

Some 50 assessors graduated from this program in 1969, and have taken up active positions in the assessment field. In May of 1970, the Division anticipates accepting a further 90 graduates.

Summer Programs for Students

As part of the overall training of new assessors, it is Branch policy to employ the community college students in the summer months. For 1970, a comprehensive program of practical training is being developed in conjunction with the 32 regional commissioners.

Recruitment of Potential Assessors

Since the inception of the community college program, it has been felt that there was a lack of awareness of the advantages offered by an assessment career.

Plans are now well underway for a publicity program at the high school level. A pamphlet has been produced, advertising assessment as a career and outlining the college programs. It is anticipated that each college will use this in its high school careers program. At the same time, the Education Branch is planning to contact all high schools in the Province to acquaint them with the program.

Retraining

The most pressing problem in retraining existing assessment staff is acquainting them with the provincially-sponsored manual of cost factors. Since the Province assumed responsibility for assessment, a limited number of schools have been held. The programs and supervised staff are available and the Branch will devote considerable effort to holding residential, commercial and farm schools in 1970.

Census

In late May and early June, 1970, the Division plans to implement a provincial census involving the employment of some 4,000 part-time enumerators. The Assessment Education Branch, in co-operation with the Assessment Standards Branch, is preparing manuals of instruction for both enumerator and supervisor. Plans have also been made for a series of spring training sessions for supervisors to acquaint them with their duties.

Other Activities

During 1969, Branch personnel visited the community colleges to co-ordinate the various educational courses. Visits to the students enrolled were also made and more are planned for the future.

Conferences were held at head office between the valuation and assessment management section heads and their staff at the colleges. Plans were made for a similar meeting involving the economics section and college economic lecturers, to be held in January, 1970.

ASSESSMENT STANDARDS BRANCH

This Branch is responsible for conducting research into new techniques of property valuation and developing quality control procedures, which will be used to check valuations made by assessors in the field. The Branch

will initiate and study policy recommendations and evaluate the effects of implementing policy proposals.

These responsibilities will be administered through four sections: assessment policy, methodology, cost analysis, and quality control and equalization.

Activities

The Standards Branch prepared the annual equalization factor report. Equalization factors establish the relationship between the level of local assessment and market value for each municipality in Ontario. These are used in a variety of grant formulae, through which the Province distributes financial aid to municipalities.

Special equalization reports were prepared for use in apportioning home for the aged and welfare costs among municipalities in the territorial districts. Special reports were prepared for apportioning regional government costs among municipalities in the Ottawa-Carleton and Niagara Regions.

Branch members worked on developing statistical techniques that would make possible the valuation of properties with the aid of computers. The Survey Research Centre at the University of Michigan, Professor Shenkel at the University of Georgia, and other groups and individuals who have been involved in similar projects were consulted in the course of these studies. This work is continuing into 1970.

The Committee on Farm Assessment and Taxation was chaired by the Branch Director, and a staff member served as committee secretary. In addition, the Branch provided research facilities for the committee which reported in November. Tests will be run in the early part of 1970 on its recommendations, to determine the effect that implementation would have on municipal revenues and the degree of relief which would be provided to farmers.

Policy was developed for conducting the 1970 census program, which will be carried out in a limited time period.

Several revisions to the Handbook of Cost Factors were made during 1969 and a staff of cost estimators is involved in a continuing process of rate revision.

MUNICIPAL FINANCE BRANCH

Responsibilities

- ♦ To study, advise and report on the financial structure of municipalities, municipal taxation, the financial relationships between the Province and the municipalities, municipal pensions and fringe benefits, and to participate in implementing government decisions relating to municipal finance
- ♦ To provide an evaluation of the financial position and viability of individual municipalities for the use of the government, other Department branches, other provincial departments and agencies, and the municipalities
- ♦ To prepare an annual review of local government finance in Ontario and to collect, analyze and publish data relating to the financial operations of municipalities
- ♦ To administer the day-to-day relationships of the Ontario Education Capital Aid program and the Ontario Municipal Improvement Corporation, and to provide municipalities with an advisory service on the administration of debt

The Residential Property Tax Reduction Act

This program was designed to reduce the realty taxation on residential property in the manner recommended by the Ontario Committee on Taxation. There has been considerable pressure from municipalities to retain the program into 1970 and future years.

During the year staff reviewed the operation of the program in 1968 and 1969. Experience showed that the tax reductions effected under the program were not in proportion to the tax burden on ratepayers in different municipalities.

A method was developed and recommended to the Government that would make it possible to relate the benefit of the relief to the tax burden. This would increase the value of the program as a means of counteracting the regressive nature of the property tax.

Provincial-Municipal Finance

In the 1969 Budget Paper B, the Provincial Treasurer stated the Government's intentions for the reform of provincial aid to local governments and the reform of local taxation. He noted that grants to school boards and other local governments would be increased as provincial funds became available and that local taxation would be reformed by:

- ♦ Reassessing all property at current value
- ♦ Broadening the local tax base by removing exemptions
- ♦ Achieving a more neutral business assessment rate, and
- ♦ Determining an appropriate distribution of tax burden among classes of real property

Studies of these reforms and their implications for the local taxpayer were started in 1969 and will proceed concurrently with reassessment to determine the most effective methods of ensuring the equity of real property and business taxes among various classes of taxpayers.

Definitions of the long-term aims of the reforms and the ways in which these may best be achieved, as shown in our studies, will be developed in consultation with officials of the Department of Treasury and Economics. Short-term solutions to immediate problems will be designed so that they accord with specific measures for achieving the long-term aims.

Reassessment of property on a consistent basis throughout the Province would lead to significant changes in the share of taxation that is borne by each class of property, and in the apportionment of shared costs, such as county and school board expenditures, among municipalities. Studies of the effects of reassessment began in 1969 and, if necessary, measures will be developed to ensure that an appropriate distribution of property taxes will be achieved among municipalities and classes of taxpayers.

Studies of the existing structure of grants to municipalities will continue. It is intended to attain a municipal grant structure that will ensure that local governments can provide the appropriate standards of service at reasonable levels of cost to realty taxpayers.

Municipal Reorganization

Following research and discussions with municipal officials, staff developed the financial provisions of the Act to incorporate the City of Thunder Bay. In particular, these included provisions for differential taxation to take account of differing levels of service in various parts of the city, and to mitigate any substantial increase in taxation that might otherwise occur. In addition, there was provision for the new City of Thunder Bay to make payments to the remaining part of the Township of Neebing to prevent undue burden through loss of assessment.

Prior to the formation of the Regional Municipality of Niagara, Branch staff took part in the inter-municipal committee deliberations and developed the financial provisions in the legislation. Important new concepts, relating to the financial restructuring of municipalities, were established to deal with such matters as: the effect of the transfer of operating surpluses and deficits of the restructured municipalities; distribution of their assets and liabilities; sharing of municipal unconditional grants; provision for differential taxation, and the statutory limits for tile drainage debt.

Studies were commenced on the financial effect of setting up the Regional Municipality of Ottawa-Carleton, and its relationship to the area municipalities in 1969. Legislative amendments will be recommended, if necessary, in order to enable regional government in this area to operate more effectively and efficiently.

The Branch is continuously engaged in financial aspects of studies in other areas where municipal restructuring is being considered. In 1969, these included York County, Peel-Halton, Hamilton-Wentworth, Burlington, Muskoka and Ontario County.

Pensions for Municipal Employees

The Municipal Act provides for the Department to approve by-laws amending or repealing the pension plans of municipalities and local boards. The Department is also required, under the Ontario Municipal Employees Retirement System Act, to approve the amendment or repeal of a participation by-law and, under the Regulations, to approve prior service agreements and agreements providing supplementary pension benefits. During 1969, these by-laws were examined and approved by officers of the Municipal Finance Branch.

As in the past, Branch staff continued to provide assistance in the administration and development of the OMERS program.

The 1968 Annual Summary of Financial Reports of Municipalities

This publication succeeded the Annual Report of Municipal Statistics, with the title change more accurately reflecting the contents. The new format was a result of the revision of the audited financial report of municipalities in 1968.

The data contained enables the quality of inter-municipal financial comparisons to be upgraded considerably. The size of the publication has been increased by some 40% and the use of colour has enabled the more significant parts to be highlighted.

The major revision of the Summary permitted the adoption of many of the proposals of the Ontario Committee on Taxation regarding data publication. The introduction and commentary to the Summary have been changed to give the reader a better overall review of municipal operations during the year.

The waterworks section was segregated from the main report and produced as a companion volume called The Summary of Annual Reports of Municipal Enterprises. It is envisaged that this volume will be extended in future years to include other enterprises.

The Municipal Directory

Over 10,000 copies of the Municipal Directory were made available for distribution in early March, providing up-to-date information on members of the Legislature, local elected and appointed officials and Department officials. Also included were figures on local assessment and population plus a section devoted to changes to municipal status occurring during 1968-69.

Other Statistical Studies

Throughout the year, studies on many aspects of municipal financial information were conducted and data generated. Areas receiving specific attention were:

- ♦ An analysis of the 1968 local and equalized mill rates, annual and quadrennial trends, was prepared
- ♦ Assessment data for each municipality was gathered through the Return of Assessment, Population and Area. Several inadequacies in the Return were noted and it was substantially revised for information relating to the 1970 taxation year. It is anticipated the new data will facilitate the future study and development of municipal finance
- ♦ Population analyses were compiled by municipality and by age groups from data collected in the Return of Assessment, Population and Area
- ♦ As in previous years, the Branch compiled a register of all provincial assistance paid to municipalities, classified by municipality
- ♦ Financial information was supplied, on request and where possible, to agencies such as the Dominion Bureau of Statistics, the Bank of Canada and the Treasury Department of the Province

Municipal Evaluation

The Branch prepares financial analyses of individual municipalities. The type and purpose of Branch studies during 1969 included:

- 1) **DEBT STUDIES** – The Branch provided information to the Ontario Municipal Board concerning applications from municipalities to defer the cost of particular projects. Detailed reports were made where the Board was concerned about the capacity of a municipality to incur further debt.

- 2) **STUDIES ON THE IMPACT OF GROWTH** – Certain municipalities in the Province will experience a large increase in population in the next few years. Studies were conducted to assess the financial impact of such growth on these particular areas.
- 3) **PROJECTIONS FOR PURPOSES OF TAX STRUCTURE COMMITTEE** – In conjunction with the Treasury Department, data on municipal expenditures and revenues was prepared for submission to the Federal-Provincial Tax Structure Committee.
- 4) **ANALYSES OF CURRENT POSITION OF MUNICIPALITIES** – A short form financial analysis of the current financial position is prepared immediately on receipt of each municipality's financial report. This procedure was revised in 1969 and several new concepts included. The system has proven to be effective in pinpointing municipalities whose current position is not satisfactory, and is utilised by Department staff requiring an immediate assessment of the current financial status of an individual municipality.
- 5) **OTHER PROJECTS** – Requests for information were received from a variety of sources, e.g., universities, Members of the Legislature, and other government departments.

These financial studies have recently become more complete. For example, the formation of the divisional school boards of education invoked the consideration of shared responsibility for costs and debt. Similarly, the formation of regional government areas changed the financial situation of certain municipalities and new grant policies and programs have had substantial impact on municipal finances.

Borrowing Services

The Branch administers the day-to-day business of The Ontario Education Capital Aid Corporation. This involves dealing with individual municipalities and school boards concerning the purchase of debentures for school and public library purposes.

The Corporation has, in effect, provided all the capital financing for school board undertakings since its establishment in 1966.

During 1969, 257 Offers to Sell Debentures, representing a total amount of \$228,175,000, were processed. This amount is 13.3% higher than in 1968.

The Province makes these capital funds available at a rate of interest slightly above the cost to Ontario of money borrowed from the Canada Pension Plan Investment Fund. At the beginning of 1969, the rate was 7%, rising to 7¼% in January, to 7½% in June, and to 8% in December. In any event, the cost to the borrower remains at least 1% below the rates prevailing in the public money market for municipal debentures.

In 1969, the Branch began to assist municipalities in making applications to the Ontario Municipal Improvement Corporation for financing water, sewage, refuse and drainage works. Staff helped prepare and process documentation relating to the issuing of debentures to be sold to the Corporation. During 1969 more than 35 inquiries were received, with 12 applications totalling \$3,316,895 being processed. As the Corporation is a lender of last resort, the interest rate on debentures that it purchases is usually somewhat higher than the general market rate.

Increasingly difficult borrowing conditions in the public market have evoked many more inquiries from municipalities for advice on the marketing of debentures. Over 100 such inquiries have been received.

The Branch carried on an active program of research into possible new types of borrowing instruments and amendments to legislation designed to improve the competitive position of the municipalities in the capital market. It is hoped that in the future funds can be made more readily available to the municipalities, at some lessening of borrowing costs, for the financing of essential capital projects.

THE ONTARIO EDUCATION CAPITAL AID CORPORATION SUMMARY OF DEBENTURES PURCHASED

<i>Municipalities</i>	<i>1966/67/68</i>		<i>1969</i>	
	<i>Number</i>	<i>Amount</i>	<i>Number</i>	<i>Amount</i>
Metropolitan Toronto	13	\$101,656,000	3	\$33,120,000
Cities	129	105,486,000	27	27,334,000
Towns, Villages	203	70,686,000	38	15,645,000
Townships, Improvement Districts, Counties	346	127,762,738	74	27,089,000
<i>School Boards</i>				
County Boards of Education	—	—	12	16,209,000
Separate and Unorganized	263	88,464,000	60	30,367,000
TOTAL	954	\$494,054,738	214	\$149,764,000

MUNICIPAL ORGANIZATION AND ADMINISTRATION BRANCH

Responsibilities

- ♦ Administrative duties with respect to improvement districts and those municipalities placed under the Department's full or partial supervision
- ♦ Administration of The Assessment Act regulations concerning mining revenue payments to designated mining municipalities
- ♦ Administration of the tax arrears procedure under The Department of Municipal Affairs Act.
- ♦ Approval of certain types of municipal by-laws
- ♦ Provision of assistance and advice to municipalities in matters of municipal administration and organization, and the promotion of improved municipal standards of operation and procedure
- ♦ Guidance and assistance to inhabitants of unorganized territory in respect to municipal incorporation
- ♦ Provision of advice, on request, to ratepayers, service clubs and other groups concerning specific problems or general municipal operation

Improvement Districts

There are, at present, 18 improvement districts in the Province. All but one – Bicroft – are located in the territorial districts.

Effective January 1, 1970, the Improvement District of Marathon became a township, and the inhabitants of the locality of Ear Falls were incorporated as an improvement district.

Under The Municipal Act, all improvement districts are subject to Part III of the Department of Municipal Affairs Act, which provides for special Departmental jurisdiction under certain circumstances. During 1969, Branch officers gave guidance and advice to these municipalities concerning their corporate affairs. Periodic visits were made.

The Township of Chapleau

This township is still under the direct jurisdiction of the Department, as ordered by the Ontario Municipal Board. However, its financial position continued to improve during 1969 under Branch guidance.

Tax Arrears Procedure

Included in the powers of municipalities to enforce tax collection are two methods or systems known as the "tax sale procedure" under The Assessment Act and the "tax registration procedure" under The Department of Municipal Affairs Act. Effective January 1, 1970, the tax sale provisions of The Assessment Act were transferred to The Municipal Act.

Both systems utilize the sale of lands in arrears of taxes as a means of recovering the taxes. However, direct participation by the Department is requisite only under the tax registration procedure. The Branch approves documents submitted by the municipalities in respect to several phases of procedure, including the registration of the land and its sale or other disposition, and also gives advice and direction as required.

During 1969, the Minister made regulations to provide for the use of the "tax registration procedure" in place of the "tax sale procedure" in 64 municipalities. As a result, a total of 536 municipalities now use this procedure.

Designated Mining Municipalities

During 1969, 64 designated mining municipalities received mining revenue payments calculated by the Branch. Staff advised these municipalities of the disposition of payments among the entitled local bodies. In addition, Branch officers examined and approved the annual budgets and levy by-laws of these municipalities. Payments in 1969 totalled \$9,599,251.

The Town of Espanola and the Villages of Beachburg and Cobden were designated as mining municipalities and received payments for the year.

Municipal Advisory Service

General advice and consultation on most phases of municipal operation is available to all municipalities throughout the Province on matters such as:

- ♦ Preparation of annual budgets
- ♦ Tax levying and collection procedures
- ♦ Procedures for the sale of debentures and the preparation of repayment schedules
- ♦ Composition and structure of local councils
- ♦ Conduct and procedures of council meetings
- ♦ Filling of vacancies on councils and local boards
- ♦ Election procedures
- ♦ Annexation and amalgamation procedures

- Preparation of resolutions and by-laws and the procedures relating to their adoption and enactment
- Provincial grants available to municipalities, boards and commissions

During 1969, inhabitants of several unincorporated localities consulted the Branch on the advisability of and procedure involved in applying for municipal incorporation.

Staff made planned visits to over 500 municipalities. On request, and in co-operation with other concerned branches, staff also attended numerous meetings with municipal officials to discuss and advise on proposed amalgamations. Branch officers also participated in a number of meetings to discuss regional government.

Branch members participated in municipal workshops, seminars, and meetings as observers, panelists, speakers and resource personnel.

The Municipal Elections Committee

This committee was appointed by the Minister towards the end of 1968 to study, evaluate and make recommendations concerning the present municipal election provisions under the applicable Acts of the Legislature, e.g.: The Municipal Act; The Voters' Lists Act; The Assessment Act, and The Municipal Franchise Extension Act.

The committee, which includes both elected and appointed municipal officials, is chaired by a Branch officer who is also a consultant to the Select Committee on Election Laws. Another Branch officer was appointed secretary. The committee expects to report to the Minister early in 1970.

The Regional Municipality of Niagara

Under The Regional Municipality of Niagara Act, a Branch officer was appointed Chief Returning Officer for the elections held on October 6, 1969 in 11 area municipalities in the Regional Municipality of Niagara. These elections differed appreciably from regular municipal elections in that the voters' lists were prepared by enumeration and the returning officer of each area municipality was the revising officer. The Branch helped draft the regulations concerning the election procedures.

A Branch member attended several meetings with the chairman and a committee of the new regional council to determine a suitable administrative structure for the new regional municipality. He also designed organization charts and accompanying material for use in such discussions. Assistance and advice were also given to several of the new area municipalities in the region regarding the new municipal organizations and related administrative problems.

The City of Thunder Bay

A Branch officer prepared alternative organizational charts and supporting material, to assist the new city in establishing an efficient municipal organization. These were submitted to council in the form of a proposal. Subsequently, a management study was initiated by the new council, with a substantial portion of the cost being met by the Province.

The Moosonee Development Area

The Act creating the Moosonee Development Area Board provides for Department participation and supervision, as in the case of improvement districts.

During 1969, a Branch officer maintained constant contact with the Board and its appointed officers. Regular monthly visits were made to Moosonee, and consultation and advice were available at all times. This constant communication eliminated undue delay concerning requests or recommendations of the Board, and ensured that prompt information and assistance were obtained from the proper source.

Gradual transfer of administrative functions to the Development Board was commenced in 1969. A municipal office was established and organized, a full-time secretary-treasurer and a superintendent of public works were appointed, and a public works force and volunteer fire department were created.

At the request of the Development Board and on the recommendation of the Department, powers and duties were granted to the Board regarding traffic control, parks and recreation, trailers, motels, airports, vehicles and boats for hire, and dog control. In addition, the Board was empowered to levy and collect taxes for its purposes and to acquire and develop land. At the same time, the geographical area of its jurisdiction was enlarged to include all the geographical townships of Moose, Caron and Horden and part of Moose River.

Ear Falls

During the year, the Ontario Municipal Board dismissed the petition submitted by the inhabitants of Ear Falls for incorporation as a township municipality. A subsequent application for incorporation as an improvement district was approved, to become effective January 1, 1970. Branch officers assisted the local inhabitants in both applications, giving guidance and advice when necessary. This included the preparation of pro-forma budgets for submission at the hearings.

A Branch officer made monthly visits to Ear Falls to provide consultation and advice, and to handle preliminary administrative matters prior to incorporation, e.g. the billing and collection of water and sewer rates. In addition, the Branch officer gave assistance and advice in the establishment of this new municipality.

The Quieting Orders Program

Under The Municipal Corporations Quieting Orders Act, municipalities may apply to the Ontario Municipal Board for orders quieting any doubts respecting their boundaries, legal existence or corporate status.

The Department prepares boundary descriptions, assembles supporting material in respect to township municipalities, and provides detailed assistance to municipalities applying to the Ontario Municipal Board for quieting orders.

In 1969, a Branch member attended all scheduled Ontario Municipal Board hearings involving such applications. In all cases, the descriptions and supporting material were prepared by the Branch.

Other priorities have necessitated the termination of this program for the time being.

Provincial Grants Handbook

This handbook contains a brief description of each of the grants and subsidies available to municipalities through the various departments and agencies of the Government. It was developed as a ready reference for the municipalities and the material is up-dated annually, or more frequently if necessary. A revision was carried out in 1969 and the revised material distributed.

Committees

Branch officers served as members or advisors to a number of committees concerned with municipal or related affairs, such as:

- ♦ Municipal Elections Committee
- ♦ Administrative Subcommittee on Townsites
- ♦ Inter-departmental Committee on Government at the District Level in Northern Ontario
- ♦ Inter-departmental Committee on Indians

The Branch annually assists in reviewing proposed changes in legislation affecting municipalities and submits recommendations. Staff also participate in reviewing special committee or municipal association recommendations regarding legislative changes.

Regional Offices

Senior administration officers are located at the Department's composite regional offices in Thunder Bay, Sudbury, London and Perth. These officers serve the following areas:

- Port Arthur – The Territorial Districts of Kenora, Rainy River and Thunder Bay, plus the Townships of Michipicoten and Wicksteed and the Improvement District of White River in the Territorial District of Algoma;
- Sudbury – The Territorial District of Algoma (excluding Michipicoten, Elliot Lake, Wicksteed and White River), Manitoulin and Sudbury;
- London – The Counties of Elgin, Essex, Huron, Kent, Lambton, Middlesex, Norfolk, Oxford and Perth;
- Perth – The Counties of Frontenac, Lanark, Leeds and Grenville, Lennox and Addington, Prescott and Russell, Renfrew, the United Counties of Stormont, Dundas and Glengarry, and the Regional Municipality of Ottawa-Carleton.

Increasing use of the regional office service is being made by the municipalities, other local bodies and the general public. An important extension of this service is the field work, which includes visits to the municipalities. Regional officers also attend and participate in municipal conferences and meetings.

MUNICIPAL RESEARCH BRANCH

The Municipal Research Branch has two functions:

- 1) to carry out research into any area in which the Department of Municipal Affairs exercises responsibility, and to report the conclusion of this research to the appropriate policy-making offices of the Department; and
- 2) to co-ordinate the specialized research activities undertaken by Branches of the Department.

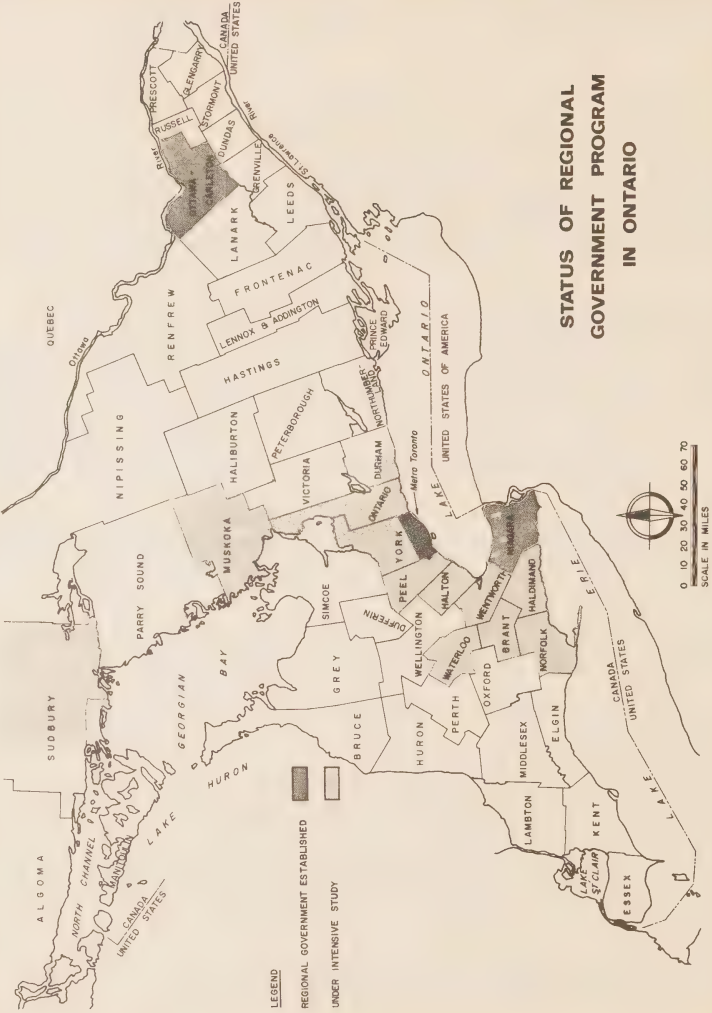
Responsibilities

- ♦ To develop regional government proposals for various areas in Ontario
- ♦ To study, evaluate and recommend upon regional government proposals made by local government reviews, municipalities or other groups
- ♦ To provide research facilities and background data for studies into local government structure, organization and finances
- ♦ To undertake specialized research and statistical studies in any area of municipal affairs
- ♦ To exchange information and the results of research studies with other branches, departments and outside agencies

To carry out these responsibilities, the Branch is divided into two sections, the Research Section and the Regional Government Studies Section.

REGIONAL GOVERNMENT STUDIES SECTION

In 1968 the Government of Ontario adopted a policy of modernizing the structure of municipal government throughout Ontario. An integral part of this reform program is the establishment – on a phased basis – of a system of regional government units.



Outlining the details of the regional government program, the Minister of Municipal Affairs said: "I have asked the Municipal Research Branch to assume day-to-day responsibility for regional government studies and implementation. The Municipal Research Branch will, of course, be working in very close liaison with the other branches of my Department and with other Departments." As a result of this new allocation of responsibility, regional government has become the prime focus of activity in the Branch.

In developing and implementing regional government, decisions can be made only after an intensive provincial-local exploration of various alternatives. In general, this process has four stages, although there will be local variations in almost every case.

Stage One is the basic research and exploration of regional government possibilities in an area. This involves discussion and consultation between the Province and municipalities. It may take the form of a joint study, a series of joint meetings, a local study or a provincially directed study such as the local government review.

Stage Two is the evaluation of the detailed study and the presentation of a preliminary proposal to the municipalities in the potential region.

Stage Three is the development of a final proposal, based on extensive discussion and response to the proposal in stage two.

Stage Four is the drafting and passing of legislation, and establishment of the regional government.

The first area to move through all four stages was the Ottawa-Carleton region where, on January 1, 1969, Ontario's first two-tier urban-centred regional government became a working reality under the chairmanship of Mr. Dennis Coolican.

In the Niagara region a firm proposal was presented to the municipalities of the area in January, 1969. A Niagara inter-municipal committee of 16 members – eight from the counties (Lincoln and Welland) and eight from the cities – was created to study the proposal and assist in drafting the resulting legislation. This committee was chaired by a member of the Municipal Research Branch. In addition, the Branch was responsible for co-ordinating Departmental activities in this field until legislation was passed in June. The Regional Municipality of Niagara was officially established on January 1, 1970, under the chairmanship of Mr. John Campbell.

A detailed study of local government at the Lakehead was finished in 1968. Following evaluation of the Report, the Minister of Municipal Affairs presented a specific consolidation proposal to this area. A member of the Municipal Research Branch acted as chairman of the local inter-

municipal committee, which studied the Report in detail and assisted the Department in drafting the final proposal. Legislation was passed in May, 1969. The electorate chose its new council and name in June, and the City of Thunder Bay officially began operation on January 1, 1970.

York County made a constructive proposal for a regional government in York in 1968. In April, 1969, the Minister presented the Government's proposal and an inter-municipal committee was established to consider both proposals. This committee has continued to meet, and the Minister and members of the Research Branch have held frequent discussions with the municipalities of York.

In Peel-Halton the Branch was active in developing a tentative preliminary proposal, to be used as the basis of provincial-local discussion in the area. This was presented in January, 1969, and in March an inter-municipal committee held its first meeting to discuss the proposal. Discussions with municipalities have continued.

The Branch worked closely with the review commissioner in Muskoka, supplying statistics and other data for use in the review. The Final Report and Recommendations were made public in July, 1969, and submissions were invited. Staff participated in meetings with each Muskoka municipality in December, 1969, to further ascertain their reactions to the Report.

The final report of a local government review commission in the Hamilton-Burlington-Wentworth area was made public in November, 1969. Various staff members worked with this commission in a technical advisory capacity.

In the Waterloo County area a local government review approached completion. A branch member acted as research director for this study.

Late in 1968, a study of local government in the Sudbury area was announced. The Research Branch is co-ordinating the gathering of background material for this study. The commissioner, Mr. J. A. Kennedy, held hearings in May and September, 1969.

Machinery for a detailed review of local government in the Ontario County-Oshawa area was established during 1968 through the Oshawa Area Planning and Development Study. Exploratory talks between municipalities and the Department commenced late in the year. A member of the Municipal Research Branch was appointed to the executive committee of the study.

In June, 1969, the Provincial Treasurer, the Minister of Highways and the Minister of Municipal Affairs endorsed the proposed approach, with certain amendments to make it compatible with provincial policies. The study, which started officially on September 15, 1969, is the first attempt to tie together the activities of a consortium of consultants studying land use, economic base, transportation, public services, financial capability and local government structure.

As well as participating in specific studies, the Municipal Research

Branch has been involved in formulating the general policy of regional government in the Province. For example, in September, 1968, the Prime Minister announced formation of a special committee of senior civil servants from many Departments to report on possible approaches to local government reorganization in Northern Ontario. The Branch provided the chairman and research services for this committee. The Report was presented to Cabinet in July and has now been made public.

RESEARCH SECTION

Municipal Consolidation

An important aspect of local government reorganization has been the adoption of a policy to encourage municipal consolidation through annexations and amalgamations. In 1968, the Minister announced that all future applications to the Ontario Municipal Board involving municipal boundary changes would be examined by the Department to see if the proposals led to the creation of more viable units and were consistent with the objectives of the regional government program. The Municipal Research Branch now conducts this evaluation from a regional government viewpoint.

Economic Base Studies

Further study in this field is a continuing long-term program of this Branch because the organizational and fiscal strength of local government depends directly on the economy upon which a municipality is based. Much of the data collected for regional government studies, and the techniques developed in these studies, will aid the Branch in future economic base studies.

Research Liaison

The Branch exchanges research data and analysis with other interested agencies. Staff worked closely with the Department of Treasury and Economics in two fields of common interest – regional government and regional development.

A staff member represented Ontario on the Canadian Council on Urban and Regional Research, a joint public-private body devoted to aiding research into problems of urban communities and their regions. In addition, one of the Ontario representatives on the Intergovernmental Committee on Urban and Regional Research is a member of the Branch.

The Municipal Research Branch also provides Departmental representation on many committees, e.g. a Federal-Ontario-Quebec Committee studying the future of the national capital area, and the Municipal Designation Committee of the Equalization of Industrial Opportunity Program. The Branch also represents Ontario on the Municipal Finance Users' Committee organized by the Dominion Bureau of Statistics.

MUNICIPAL SUBSIDIES BRANCH

Responsibilities

The Municipal Subsidies Branch administers the grant, subsidy and loan programs for which the Department is responsible by:

- ♦ Maintaining a thorough knowledge of those Acts and Regulations which authorize payment of the subsidies and, where necessary, recommending amendments
- ♦ Keeping abreast of the related administrative and accounting practices of the municipalities and the Province
- ♦ Developing the policies and procedures used to administer the subsidy programs and preparing instructional material for distribution to the municipalities
- ♦ Maintaining liaison with federal, provincial and municipal officials concerning all aspects of the programs
- ♦ Verifying claims submitted by the municipalities and local boards. In many cases, this includes an examination of their accounts and records

GRANT AND SUBSIDY PROGRAMS

The Residential Property Tax Reduction Act

This Act, passed in 1968, was designed to reduce municipal taxes for the individual ratepayer, and relieve the regressivity of realty taxation.

Under the program, the municipality reduces taxes levied by mill rate for municipal and school purposes on eligible residential property. The Province reimburses the municipality for the amount by which taxes are reduced and, in effect, pays the first part of the taxes on each eligible residential property. Homeowners receive the tax reduction directly on their tax bills, while tenants receive a tax reduction allowance from their landlords for the separately assessed premises they occupy.

The Act was amended during 1969 to provide two major improvements in the program. The amount of the tax reduction on any residential prop-

erty became the lesser of two amounts, either the amount that is produced by the application of the equalized mill rate to \$2,000 of the assessment or an amount equal to one-half the municipal taxes levied on the property.

No residential property taxpayer was wholly excused from the payment of municipal taxes. Also, a new provision enabled the reimbursement of municipalities for the reduction in payments in lieu of taxes on Crown-owned property in the same way as reimbursement is made for the reduction of taxes on private property. This provision benefited all tenants of Crown-owned residential property in Ontario.

To ensure that homeowners, landlords and tenants were properly informed of their rights and duties under the revised program, an explanatory leaflet entitled "Ontario Residential Property Tax Reduction System for 1969" was produced and made available to the public at various locations in each municipality. Press and radio advertising was conducted and supported with information releases for the news media. Again in 1969, a special information group answered inquiries by letter and telephone from homeowners, landlords and tenants. The group helped resolve many disputes between tenants and landlords which otherwise might have resulted in court actions.

During 1969 the Branch processed claims for reimbursement from 919 municipalities and 51 school boards in unorganized territories. This involved tax reductions amounting to \$122,660,000 made for the benefit of Ontario's 2,300,00 owner and tenant households.

The Municipal Unconditional Grants Act

This Act authorizes the payment of two different subsidies:

(1) **THE UNCONDITIONAL PER CAPITA GRANT** – This grant, based on a determined population, assists municipalities with the cost of providing municipal services.

A Schedule in the Act sets out the rates payable to all municipalities. The grant, which now ranges from \$5 to \$7.50 per capita, must be applied to reduce the taxes levied against residential and farm assessment.

(2) **HOSPITALIZATION OF INDIGENTS** – This annual grant is calculated at 80% of the municipality's statutory payments to hospitals and premiums paid to the Ontario Hospital Services Commission in the previous year on behalf of indigent persons.

Where a District Welfare Board is established, the grant entitlement is payable to the Board rather than to the constituent municipalities. Grants were made to six District Welfare Boards in 1969, compared to five in 1968.

Payments 1965-1969
Under The Municipal Unconditional Grants Act
For the year ending December 31
(in thousands of dollars)

	1965	1966	1967	1968	1969
Unconditional Per Capita Grant	25,576	26,080	37,753	42,077	42,880
Hospitalization of Indigents	1,961	2,013	1,947	2,169	2,541
TOTAL	27,537	28,093	39,700	44,246	45,421

The Assessment Act

This Act authorizes payments under four programs:

(1) PAYMENTS TO MINING MUNICIPALITIES – Entitlement for these payments, based on mining revenue in the municipality, is determined by the Municipal Organization and Administration Branch.

(2) ASSISTANCE FOR REGIONAL ASSESSMENT – A Subsidy is paid to a county or municipality in a district which adopts the regional assessment system. Assistance is granted towards the salaries of assessment officers and staff and towards the purchase price or rental of office equipment.

(3) ASSESSMENT IN UNORGANIZED TERRITORIES – Payments are made to compensate district assessors for the direct costs of assessing properties located in school sections in unorganized territories of the Province.

(4) TENANT-OCCUPIED PROVINCIAL PROPERTY – Tenants are directly liable for municipal taxes on Crown property rented from the Province. Under arrangements made with the municipalities, taxes are paid by the Province acting as agent for the tenant and the tenant reimburses the Province in rentals paid.

Payments 1965-1969
Under The Assessment Act
For the year ending December 31
(in thousands of dollars)

	1965	1966	1967	1968	1969
Payments to Mining Municipalities	5,808	5,869	7,946	8,651	9,582
Assistance for Regional Assessment	127	281	587	675	1,949
Assessment in Unorganized Territories	30	122	275	404	550
Tenant-Occupied Provincial Property	497	460	884	684	651
TOTAL	6,462	6,732	9,692	10,414	12,732

The Municipal Tax Assistance Act

This Act authorizes payments to the municipalities in lieu of taxes on certain Provincial properties, to be determined at the commercial mill rate for general municipal purposes.

A municipality is generally entitled to a payment in lieu of taxes on land and buildings owned and occupied by Ontario and used for legislative, executive and administrative purposes. Payments in lieu of taxes are not made to municipalities on land and buildings used for a number of purposes, such as: education, hospitalization, reform institutions, parks, forests, and certain other types of public use.

Payments in lieu of taxes amounted to \$3,487,000 in 1969.

The Drainage Act

This Act authorizes a municipality to construct, improve, repair and maintain a drainage works and to finance and rate its costs against the benefiting owners. It also authorizes the payment of a grant to a municipality in respect of assessments against agricultural lands in the municipality.

The grant entitlement is $33\frac{1}{3}\%$ if the drainage works is in a county, and $66\frac{2}{3}\%$ in a district or provisional county. Where a drainage works

is in territory without municipal organization, the Province may pay an amount up to 80% of the assessments against the benefiting agricultural lands.

During 1969, \$1,894,000 was paid on 942 applications for a grant submitted from 166 municipalities.

The Planning Act

Under this Act, the Province may enter into an agreement with a municipality to provide assistance towards the cost of urban renewal. The Ontario share of the assistance is equal to 25% of the eligible cost of the project while Canada, under separate agreements, provides 50% of such cost.

During 1969 the Province provided \$5,585,000 to 23 municipalities under the program.

Other Grants and Subsidies

(1) ASSISTANCE TOWARDS ORDERLY DEVELOPMENT IN UNORGANIZED TERRITORIES – This grant provides assistance towards the cost of planning and development with respect to certain unorganized areas of the Province.

(2) THE WHIRLPOOL RAPIDS BRIDGE ACT AND THE LEWISTON-QUEENSTON BRIDGE ACT – Payments under these Acts are made in lieu of taxes on bridge property owned by the Province.

Payments 1965-1969
Other Subsidies
For the year ending December 31
(in thousands of dollars)

	1965	1966	1967	1968	1969
Assistance towards Orderly Development in Unorganized Territories	84	232	202	96	101
The Fire Departments Act and The Police Act*	630	697	828	44	—
The Whirlpool Rapids Bridge Act and The Lewiston-Queenston Bridge Act	—	—	—	56	56
Other	10	11	13	17	—
TOTAL	724	940	1,043	213	157

**Program discontinued in 1968*

SUMMARY OF MUNICIPAL GRANTS AND SUBSIDIES
For the year ending December 31
(in thousands of dollars)

	1965	1966	1967	1968	1969
The Residential Property Tax Reduction Act	—	—	—	107,986	122,660
The Municipal Uncondi- tional Grants Act	27,537	28,093	39,700	44,246	45,421
The Assessment Act	6,462	6,732	9,692	10,414	12,732
The Municipal Tax Assistance Act	1,938	2,448	2,449	2,955	3,487
The Drainage Act	608	391	1,247	1,822	1,894
Winter Works Incentive Program*	9,339	10,278	9,659	8,600	1,809
The Planning Act	1,229	1,208	1,681	2,220	5,585
The Confederation Centennial Act**	—	—	8,758	2,500	608
Other	724	940	1,043	213	157
TOTAL	47,837	50,090	74,229	180,956	194,353

* Amounts by program year including Federal contributions. Program discontinued in 1968.

** Includes Federal contributions. Program finalized in 1968.

LOAN PROGRAMS

Municipal and School Tax Credit Assistance Act

This Act, which came into force January 1, 1967, established a system of loans to assist elderly homeowners in paying their real estate taxes. A person, 65 years of age or more, who uses the real property as his personal residence and is the owner or the owner's spouse, is eligible to receive this assistance.

Assistance is made by the municipality through the granting of a tax credit of one-half of the realty taxes imposed with respect to residential or farm property, to a maximum of \$150 per year. A lien is registered against the real property as security for the loan and the municipality is reimbursed by the Province. The amount of the tax credit is normally repayable to the Province when ownership of the property is transferred.

During 1969, 149 municipalities processed 2,988 applications for loans amounting to \$398,000.

SUMMARY OF LOAN PROGRAMS

For the year ending December 31
(in thousands of dollars)

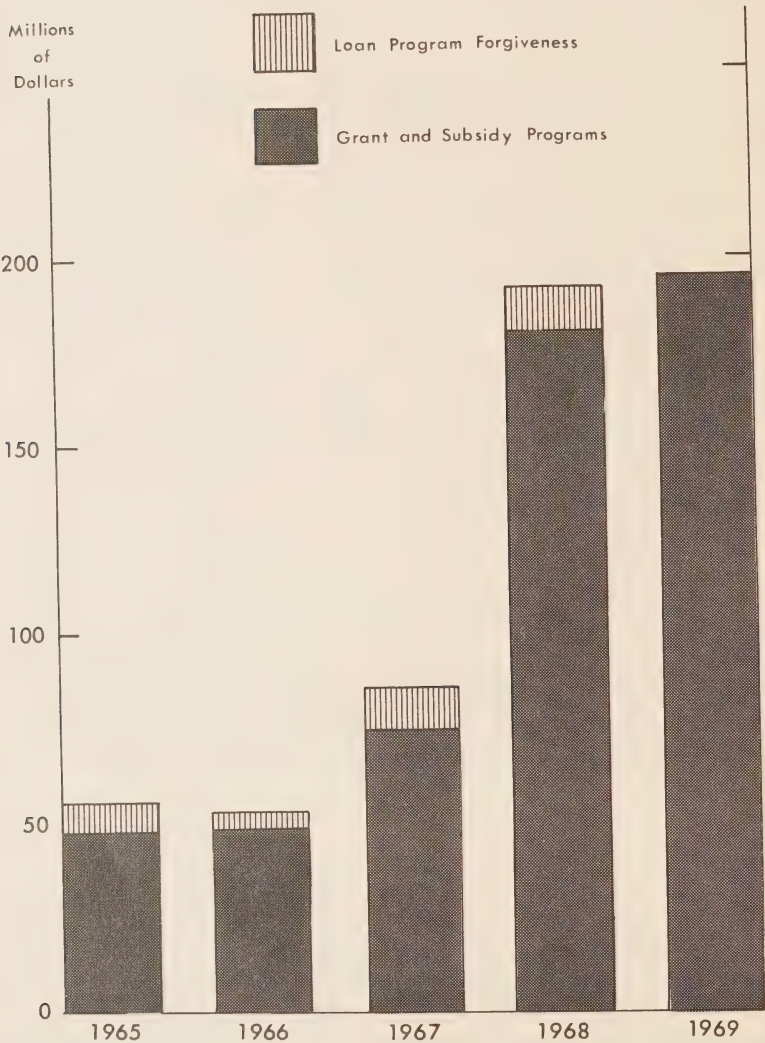
	1965	1966	1967	1968	1969
<i>The Municipal and School</i>					
<i>Tax Credit Assistance Act</i>					
Loan Advances	—	—	233	413	398
<i>Municipal Works</i>					
<i>Assistance Program*</i>					
Loan Advances	32,634	36,515	41,549	20,272	12
Forgiveness Granted	8,363	2,185	12,157	10,668	3

* Program finalized in 1968.

ADMINISTRATION

Under the 13 grant, subsidy and loan programs administered in 1969, \$194 million was transferred to municipalities as subsidies and grants and \$410,000 was loaned. Of the amount loaned, \$3,000 was forgiven.

**COMPARISON OF FUNDS TRANSFERRED TO MUNICIPALITIES
UNDER GRANT, SUBSIDY AND LOAN PROGRAMS
(by calendar year)**



SYSTEMS DEVELOPMENT BRANCH

Work was devoted to the systems involving the transfer of assessment administration to the Province. The Branch identified 17 different assessment data processing systems and many more manual and addressograph systems throughout the Province.

Recommendations were made to ensure that the systems would operate effectively within the provincial assessment organization structure. Implementation of these recommendations will proceed so that all assessment data can be processed by computers in 1970.

ADMINISTRATION AND FINANCE DIVISION

Plans for the Department's assumption of the assessment function created a greatly increased role for the support services of the Department. Following a study by the Advisory Services Division of Treasury Board, an Administration and Finance Division was established in order to co-ordinate all support services in the Department. This Division is now composed of the Personnel, Accounts, and Administrative Services Branches, and the Budget and Audit Section of the Department.

PERSONNEL BRANCH

In order to implement the Provincial assessment program, the staff of the former Personnel Services Section was enlarged in 1969. Two groups were established – one to administer personnel services to head office branches and the Ontario Municipal Board, and the other to service the new Assessment Division.

Frequent contact was made with various sections of the Department of Civil Service, Staff Relations Branch, and the Department of Treasury and Economics to develop and co-ordinate the employee relations aspects of the administrative change. This involved: instituting a new class series; reviewing over 100 salary and fringe benefit programs; developing job descriptions for positions in the new organizational structure; co-ordinating the recruitment program for over 200 managerial positions, and providing continuous information to municipal officials and their employees.

Recruitment during 1969 was heaviest in the assessment area, but expanded programs of several other branches also contributed to a total full-time staff increase of more than 50%. During this period, there were 414 changes in staff, of which 93 were separations and 321 were new appointments. An average of 40 casual employees filled various positions throughout the Department.

ACCOUNTS BRANCH

Responsibilities

- ♦ To ensure that the operating personnel of the Department receive the accounting and financial support necessary to permit them to perform their functions effectively
- ♦ To act as custodian for the Department assets

Activities

During 1969, the Branch was reorganized to recognize its expanding role as a support agency within the Department and as a central control and advisory agency for the Department's regional branch operations.

Principal activities of the Branch were:

- ♦ Processing and paying all accounts, subsidies, grants and travelling expenses
- ♦ Controlling revenues and expenditures
- ♦ Controlling payroll information, and processing related data
- ♦ Controlling the assets of the Department
- ♦ Counselling Department personnel with regard to payroll and financial matters related to their activities
- ♦ Ensuring that funds were available to meet Department obligations
- ♦ Evaluating and maintaining a financial information system for senior Department officers and other Government agencies
- ♦ Evaluating and maintaining Department accounting systems, procedures and controls

ADMINISTRATIVE SERVICES BRANCH

This Branch consists of five major sections providing service, advice and guidance to operating Branches within the Department.

General Services

The functions of the three general service sections are as follows:

- ♦ Purchasing and procurement
- ♦ Stores and inventory control, mail and messenger service
- ♦ Printing and reproduction

Continued Department expansion made 1969 a year of increased activity in all areas. The purchasing officer visited trade exhibits, investigating and purchasing new types of equipment, furnishings and supplies. More than 1,100 requisitions for printing were processed for work varying from form letters to complex reports.

Records Management

In addition to establishing new filing systems and maintenance services in several branches, the Records Management Section assumed responsi-

bility for the Central Files. File records were examined, with a number being transferred to the Ontario Government Record Centre and others marked for destruction.

Library

The Library is a reference centre for Departmental staff, other government departments, municipal consultants, university students and the public. A total of 25,000 books and pamphlets in the fields of municipal law, finance, administration, town planning, assessment and history are supplemented by 250 periodicals and newsletters, a selection of Dominion Bureau of Statistics material, more than 1,600 maps, newspapers, clipping files, and files on the history of incorporation of Ontario municipalities.

Library publications produced in 1969 included:

- ♦ List of dissolution of municipalities in Ontario
- * List of historical and local information on Ontario municipalities #7
- ♦ List of dissolutions of police villages in Ontario
- * A bi-monthly Annexation and Incorporation List
- * Library Handbook
- * A monthly municipal court case list
- ♦ Library Rules
- ♦ Composite township list #5
- * List of publications issued by the Ontario Department of Municipal Affairs
- * List of books on parliamentary procedure

BUDGETS AND INTERNAL AUDIT SECTION

The principal functions of this section are:

- ♦ The co-ordination, analysis, preparation and final submission of the Department's annual estimates
- ♦ A continuing analysis of significant variances between actual expenditures and budget allotments, as well as of exceptional spending trends
- ♦ Preparation of variance reports of Branch Directors and discussion of corrective measures with them

- ♦ Perpetual control of the Department's finances to ensure adequate funding of all budget programs and activities
- ♦ The annual preparation of the Monthly Cash Forecast covering general expenditures, disbursements and charges, general revenue, and receipts and credits
- ♦ Preparation of the monthly Financial Information and Program Implementation Report
- ♦ Regular reporting of expenditures on fixed assets
- ♦ The examination of the financial and operational performances of the Department with respect to accuracy and adherence to established Government policies

This Section was created in 1969 to handle the increased control and co-ordination made necessary by the large Departmental expansion. Implementation of the programming-planning-budgeting concept was greatly advanced. This and the audit approach proved advantageous in establishing accounting and operating systems and methods for administering the assessment regional offices.

INFORMATION AND EDUCATION SERVICES

Responsibilities

- ♦ To serve as the central source of information about the Department, and the official channel of communication between the Department and the public
- ♦ To bring to public attention, through appropriate media, significant facts, opinions and interpretations which will serve to keep the public aware of Department policies and actions
- ♦ To co-ordinate Department activities which affect the relations of the Department with the general public or with special public groups
- ♦ To plan and administer educational programs designed to fulfill the above responsibilities
- ♦ To collect and analyze information on the changing attitudes of key public groups towards the Department

Writing and Editing

Material was supplied on request by professional staff writers and editors for speeches and radio scripts for the Minister, Deputy Minister and others. These were distributed to media and, on request, to interested individuals and agencies.

Staff wrote, edited and distributed press releases, statements for the Legislature concerning Department activities, articles for Progress Editions, forewords for various booklets, Christmas messages, material for directories, and the Department Annual Report.

Information

Liaison with the press, municipal organizations and the general public was an important activity during 1969.

Although press liaison is maintained on a day-to-day basis, special arrangements were made for the Minister in the Niagara area in connection with the new regional government, as well as in Norfolk-Haldimand, Muskoka, Thunder Bay and Hamilton.

Much information was dispatched by mail and telephone concerning Department programs.

Workshops

Staff attended and reported on workshops operated by the Association of Counties and Regions of Ontario in Chatham and Simcoe.

Conventions

A Department suite was maintained at the annual convention of the Ontario Association of Rural Municipalities. Staff made arrangements for this suite, scheduling and assisting with the staffing during the conference. Staff also prepared material for the councillors' seminar of the Ontario Good Roads Association meeting.

Courses

Information and Education staff continued to serve as Department representatives on the Ontario Conference on Local Government, which operates municipal affairs courses throughout the province.

During 1969, courses were held in Toronto, Brampton, Simcoe, Hamilton, Sudbury and Sarnia. Graduating students were presented with certificates signed by the Minister.

Staff continued to handle arrangements for speakers, panelists and chairmen for these courses, and undertook chairman and speaker assignments, prepared checklists for local groups, collected biographies, analyzed course questionnaires, arranged for photographs and attended as many sessions as possible.

Two members of staff served on the executive committee of the Conference and handled all public relations co-ordination for the courses.

Other Activities

- ♦ Maintenance of a clipping service
- ♦ Maintenance of biographies and pictures of Department staff
- ♦ Arrangements for photographs on request
- ♦ Provision of information and assistance by correspondence and telephone
- ♦ Arrangements for press conferences
- ♦ Department public relations
- ♦ Distribution of local government review reports
- ♦ Files analysis and reorganization
- ♦ Collection of up-to-date material on government activities in other Departments

LAW BRANCH

Responsibilities

- ♦ Developing the Department's legislation
- ♦ Providing advice and legal opinions
- ♦ Preparing legal documents
- ♦ Representing the Department and the Minister at Ontario Municipal Board hearings

Activities

In 1969, extensive amendments were made to several of the major statutes administered by the Department. The Assessment Act was revised and a number of provisions transferred to The Municipal Act. Legislation was prepared for regional government in the Niagara area and for the incorporation of the City of Thunder Bay. Approximately 30 private bills were examined. Where necessary, these were discussed with officials of the petitioning municipality and revised. The Department's position on each private bill was subsequently presented to the Private Bills Committee.

Throughout the year, staff provided a broad range of legal services to the Department and assisted other provincial departments, when requested, on problems relating to municipal law. The Branch was consulted by many municipalities and local boards and also by solicitors concerned with particularly difficult municipal problems.

Numerous and varied legal documents were prepared, including agreements, Order-in-Council recommendations, regulations and Minister's orders. The Branch examined road closing by-laws submitted by municipalities for approval of the Lieutenant Governor under section 459 of The Municipal Act, approved the authority for them, and considered the legality of other municipal by-laws covering a wide range of matters.

Branch staff represented the Minister and the Department before the Ontario Municipal Board on such matters as planning and assessment equalization appeals. Staff also assisted in preparing reports on petitions filed with the Lieutenant Governor-in-Council, requesting a review of certain Ontario Municipal Board decisions. Similarly, reports were prepared relating to applications under The Expropriations Act to dispense with the inquiry procedure otherwise required.

As in previous years, the Branch prepared a summary of all legislation of municipal significance enacted at the 1968-69 Session of the Legislature. This was distributed to the municipalities and interested individuals. Due to the extended sittings of the Legislature, the summary was issued in two parts.

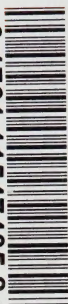
Staff participated in special meetings and conferences relating to municipal government and to municipal matters generally. Similarly, staff served on special committees, provided advice to other committees, and provided or assisted in preparing precedents and other material to guide municipalities and their local boards.

MAJOR ACTS ADMINISTERED BY THE DEPARTMENT OF MUNICIPAL AFFAIRS

- * The Assessment Act
- * The Department of Municipal Affairs Act
- * The Drainage Act
 - The City of the Lakehead Act
- * The Line Fences Act
- * The Local Improvement Act
 - The Moosonee Development Area Board Act, 1966
- * The Municipal Act
 - The Municipal and School Tax Credit Assistance Act, 1967
 - The Municipal Arbitrations Act
 - The Municipal Corporations Quieting Orders Act
 - The Municipal Franchise Extension Act
 - The Municipal Franchises Act
 - The Municipal Subsidies Adjustment Act
 - The Municipal Tax Assistance Act
 - The Municipal Unconditional Grants Act
 - The Municipal Works Assistance Act
- * The Municipality of Metropolitan Toronto Act
- * The Ontario Municipal Board Act
 - The Ontario Municipal Employees Retirement System Act, 1961-62
- * The Planning Act
 - The Pounds Act
- * The Public Parks Act
- * The Public Utilities Act
 - The Regional Municipality of Niagara Act
 - The Regional Municipality of Ottawa-Carleton Act, 1968
 - The Residential Property Tax Reduction Act, 1968
 - The Territorial Division Act
- * Consolidation



GOVT. PUBNS.



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